

# Overview of the Texas Workforce Development System



**SUBMITTED TO THE 82ND TEXAS LEGISLATURE**

**MARCH 2011**

**LEGISLATIVE BUDGET BOARD STAFF**

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### ***State Agencies***

Texas Workforce Investment Council  
Texas Education Agency  
Texas Higher Education Coordinating Board  
Department of Assistive and Rehabilitative Services  
Texas Department of Criminal Justice, Windham School District  
Texas Youth Commission  
Texas Veterans Commission  
Texas Workforce Commission

### ***Institutions of Higher Education***

Texas State Technical College System and Campuses  
Texas State University System and the Two-Year Lamar Institutions  
Texas Engineering Extension Service

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# TABLE OF CONTENTS

|                                                                            |           |
|----------------------------------------------------------------------------|-----------|
| <b>INTRODUCTION.....</b>                                                   | <b>1</b>  |
| <b>REPORT HIGHLIGHTS.....</b>                                              | <b>1</b>  |
| <b>HOW TO USE THE REPORT .....</b>                                         | <b>2</b>  |
| <b>TEXAS WORKFORCE INVESTMENT COUNCIL .....</b>                            | <b>3</b>  |
| <b>PUBLIC SECONDARY CAREER AND TECHNICAL EDUCATION.....</b>                | <b>4</b>  |
| <b>TEXAS EDUCATION AGENCY .....</b>                                        | <b>4</b>  |
| <b>TEXAS YOUTH COMMISSION.....</b>                                         | <b>7</b>  |
| <b>POST-SECONDARY CAREER AND TECHNICAL EDUCATION .....</b>                 | <b>9</b>  |
| <b>COMMUNITY AND TECHNICAL COLLEGES .....</b>                              | <b>9</b>  |
| <b>TEXAS HIGHER EDUCATION COORDINATING BOARD.....</b>                      | <b>9</b>  |
| <b>COMMUNITY COLLEGES.....</b>                                             | <b>12</b> |
| <b>TEXAS STATE TECHNICAL COLLEGE SYSTEM .....</b>                          | <b>14</b> |
| <b>TWO-YEAR LAMAR INSTITUTIONS.....</b>                                    | <b>16</b> |
| <b>TEXAS ENGINEERING EXTENSION SERVICE.....</b>                            | <b>19</b> |
| <b>TEXAS DEPARTMENT OF CRIMINAL JUSTICE, WINDHAM SCHOOL DISTRICT .....</b> | <b>20</b> |
| <b>PROJECT REINTEGRATION OF OFFENDERS (RIO) .....</b>                      | <b>23</b> |
| <b>ADULT EDUCATION.....</b>                                                | <b>23</b> |
| <b>TEXAS EDUCATION AGENCY .....</b>                                        | <b>23</b> |
| <b>DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES .....</b>           | <b>27</b> |
| <b>TEXAS VETERANS COMMISSION .....</b>                                     | <b>28</b> |
| <b>TEXAS WORKFORCE COMMISSION .....</b>                                    | <b>31</b> |



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# OVERVIEW OF THE TEXAS WORKFORCE DEVELOPMENT SYSTEM

## INTRODUCTION

Texas' workforce development system consists of education, training, guidance and career development programs, which are administered by seven state agencies and many public institutions of higher education. Federal, state, local, and non-profit sources provide the funding for these programs. The federal government is the primary source of funding for training programs serving adults; whereas a mix of state and federal funding sources support workforce development programs for youth.

Most workforce development programs experienced growth in the number of customers or students served, as well as in federal and state funding from fiscal years 2006 to 2010. The federal government, however, reduced funding significantly for some programs, which decreased the number of customers served by those programs. These programs include the Self-Sufficiency Fund and the Workforce Investment Act programs for adults and youth.

This report summarizes the state's workforce development programs and functions, their inter-relationships with other programs, how they receive and allocate funding, and how they are held accountable for their results. It also provides five-year expenditure, service level, and outcome performance measure data for fiscal years 2006 to 2010.

The report does not evaluate the programs or education services provided by state agencies or institutions of higher education. Those interested in identifying the causes or explanations for certain trends, or relationships between expenditures, service levels, and outcomes, should contact the relevant agencies or institutions of higher education to explore these issues further.

## REPORT HIGHLIGHTS

State and federal funding provided a total of \$1,678.0 million to support workforce development programs in Texas in fiscal year 2010, a 13.4 percent increase from fiscal year 2006. This amount includes state and federal funds directly appropriated by the Legislature for these programs.

Texas' workforce development programs served a total of 3.4 million individuals in fiscal year 2010, an 11.0 percent increase from fiscal year 2006.

Performance outcomes varied among these programs. The median percent of customers or postsecondary students entering employment in fiscal year 2010 was 72.3 percent; ranging from 86.4 percent of community and technical college students to 58.4 percent of Project Reintegration of Offenders (Project RIO) participants.

A key component of the workforce development system in Texas is the 28 local workforce development boards (LWDBs). These collaborative organizations, which are accountable to and receive most of their funding from the Texas Workforce Commission (TWC), are responsible for meeting the needs of employers and job seekers. They accomplish this through a wide range of programs, including Temporary Assistance for Needy Families (TANF) Choices employment and training, Workforce Investment Act (WIA), Adult, Dislocated Worker, and Youth Programs, Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T), Project RIO, Wagner-Peyser Employment Services, Senior Community Service Employment Program (SCSEP), and Trade Adjustment Act Services. All 28 LWDBs contract with service providers for the delivery of direct customer services. The LWDBs are also accountable to the Texas Workforce Investment Council (TWIC), which is required by statute to review and recommend approval of the LWDBs' strategic plans. Additionally, LWDB performance data is evaluated by the TWIC through formal performance measures data submitted annually through TWC.

TWIC plays a central role in strategic planning, coordination, and accountability for the workforce development system. TWIC is composed of executive level representatives from the five member state agencies that administer workforce development and education programs. Through the System Integration Technical Advisory Committee, the state agencies represented on the TWIC, and three additional agencies that administer workforce programs, develop and implement changes to improve coordination, accountability, and customer access to programs and services. Also, reports

published by TWIC contain strategic goals, program information and evaluations of the workforce development system.

The federal government has provided a stable source of funding for career and technical education (CTE) in school districts and community/technical colleges since 1984 under the Carl D. Perkins Vocational and Technical Education Act. Now in its fourth version, the Act authorizes state grants to enhance CTE for secondary (high school) and postsecondary (higher education) students. The two primary state allocations are the basic and Tech Prep grants. Both are allocated to states based on their per capita income and population in certain age groups.

Basic grants fund general CTE support functions such as curriculum and professional development. States may retain up to 15 percent of the basic grant for agency administration and statewide leadership activities, and distribute the remainder to local education agencies. Tech Prep grants support Tech Prep consortia, which bring together school districts and community colleges to create opportunities for high school students to earn college credit for the advanced CTE courses they take. The Texas Education Agency (TEA) administers the basic grant program for secondary education; the Texas Higher Education Coordinating Board (THECB) administers the basic grant for postsecondary education and the Tech Prep grant.

The Perkins Act dictates that a state designate a Board for Vocational Education to determine the allocation of the basic grant between the secondary and postsecondary levels; a role played in Texas by the State Board of Education (SBOE). Until fiscal year 2009, the SBOE allocated 60 percent for secondary education, and 40 percent for postsecondary education. For fiscal year 2009 and thereafter, the allocation is 70 percent and 30 percent for secondary and postsecondary education, respectively. TEA retains the 70 percent allocation and transfers the 30 percent portion to the THECB.

In general, federal accountability requirements for CTE and workforce development program are dictated by the federal statutes that authorize their funding and related administrative rules. State accountability to the Legislature and the Governor is maintained by the Legislative Budget Board's performance-based monitoring process. The Legislative Budget Board requires state agencies to report their actual performance measure data, along with a comparison to targeted performance levels, on an annual basis. If there are

variances greater than five percent from those targets, they must provide an explanation. Performance targets for each measure are established by the Legislature in the General Appropriations Act. Also, performance outcomes are reported to the Texas Workforce Investment Council for its annual workforce development system evaluations.

## HOW TO USE THE REPORT

Each section of this report provides descriptive information about a state agency and the workforce development programs it administers, with two exceptions. The section on community colleges describes career and technical education in all 50 institutions. Another section on Adult Basic Education describes several programs that are generally considered part of the workforce development system. These programs are administered by the Texas Education Agency, in conjunction with the TWC and the Texas Higher Education Coordinating Board.

All of the sections contain descriptions of the agency's programs, the inter-relationships between the agency's programs and those administered by other agencies or local entities, each program's expenditure history by funding source (state and federal), customers or students served by program, and performance outcome measures. To allow a comparison of funding trends to agency customer/student service levels and program outcomes, the program expenditure, service level, and outcome information covers a five-year period from fiscal years 2006 to 2010.

It should be noted that definitions and calculation methodologies can vary for the same performance measure depending on the agency and program. For example, the "entered employment rate" definition for several Texas Workforce Commission programs aligns with the U.S. Department of Labor's common measure definition that reflects the percent of individuals who find employment within one calendar quarter from exiting the program. These programs include the Workforce Investment Act programs for adults and dislocated workers, and the Wagner Peyser Act Employment Services program. On the other hand, the "entered employment rate" definition for community college students indicates the percent of these students who find employment, or transition to another higher education credential program, within one year following acquisition of an advanced level technical certificate or associates degree. Also, data for this measure are typically subject to a one year lag because data reporting is based on customer information matching that uses unemployment insurance records.

Records are matched after the participant completes the program in the timeframe specified in the methodology for the measure, which is generally one to four quarters after completion.

### **TEXAS WORKFORCE INVESTMENT COUNCIL**

The Texas Workforce Investment Council (TWIC) was established by the Texas Legislature in 1993. The Texas Government Code, Chapter 2308, requires TWIC to promote the development of a well-educated, highly skilled workforce for Texas and advocate for an integrated workforce system to provide quality, relevant services to address the needs of Texas business and workers. Both state and federal law charge TWIC with assisting the Governor and the Legislature with strategic planning for and evaluation of the state's workforce system.

TWIC serves as the State Workforce Investment Board as required under the federal Workforce Investment Act of 1998. While composition and responsibilities differ somewhat between states, all state boards are charged with assisting the Governor with planning, evaluation, collaboration among system partners, and review of state and local plans.

There are 19 members of the Council. The Governor appoints 14 members representing business, organized labor, education, and community-based organizations. The remaining members are ex-officio representatives of TWIC's five member state agencies. The Council meets quarterly to take actions required to fulfill its mandates in state and federal law.

TWIC does not operate programs or directly manage the flow of state and federal funding to the workforce development system's state agencies. The Council's efforts concentrate on workforce development, which is defined in state law as "workforce education and workforce training and services." Statute assigns TWIC four primary functions in the Texas workforce system, which are strategic planning; evaluation and performance measurement; research and continuous improvement; and a review of state and local workforce development plans in order to recommend final approval of them to the Governor.

TWIC's work products include the state workforce development system strategic plan, evaluation reports, research reports and tools, review of state and local workforce development plans, and recommendations to the Governor. The Council's primary focus is on the state workforce

development system strategic plan, and its duty to facilitate and evaluate implementation of the plan by state agencies and the local entities with whom they interact.

### **RELATIONSHIPS WITH THE FEDERAL GOVERNMENT, STATE AGENCIES AND LOCAL ENTITIES**

Federal agencies periodically collaborate with TWIC in its oversight role as the State Workforce Investment Board. TWIC works primarily with its state agency partners to promote and enable state-level coordination and collaboration among workforce development programs and the agencies that administer them. State law requires partner agencies to develop a strategic plan that demonstrates alignment with statewide goals and objectives, and include this information as an appendix to the five year strategic plan they submit to the Legislative Budget Board and the Governor.

TWIC also works directly with agencies to gather information, data, and feedback for its reports and research projects. The council develops and maintains relationships with its state agency partners through the System Integration Technical Advisory Committee (SITAC). Composed of executive-level staff from each of the member agencies, SITAC oversees implementation of the workforce development system strategic plan and reports to the Council. SITAC also seeks to improve workforce development system coordination, accountability, and access to workforce development programs through collaborative efforts that include ongoing projects and new initiatives.

State and federal statutes give TWIC certain responsibilities regarding local workforce development boards (LWDBs) and the areas they serve. The Council is responsible for recommending to the Governor the designation or re-designation of local workforce development areas. State law requires LWDBs to develop a local plan that demonstrates alignment with workforce development statewide goals and objectives. TWIC reviews and recommends approval by the Governor of each LWDB's plan.

### **FUNDING**

The TWIC is administratively attached to the Office of the Governor, which serves as its fiscal agent. State law specifies that funds for the support of TWIC be provided by the state agencies represented on the Council. State law also requires that TWIC establish, and the Governor approve, a formula for the funding of its operations by member agencies in proportion to the agency's financial participation in the workforce development system.

Following the biennial application of the formula, funding support for TWIC is provided through a memorandum of understanding between the Office of the Governor and the member agencies. TWIC has 12 full-time equivalent positions that support the work of the Council and that of the Texas Skill Standards Board.

**Figure 1** shows TWIC's expenditures for fiscal years 2006 to 2010. Expenditures fluctuated during the five-year period, ending with fiscal year 2010 expenditures 3.1 percent higher than fiscal year 2006.

**PUBLIC SECONDARY CAREER AND TECHNICAL EDUCATION**

Public secondary career and technical education (CTE) programs are the primary means by which a student can obtain career-focused instruction in public schools. The Texas Education Code specifies the goals of career and technical education as mastery of the basic skills and knowledge necessary for managing the dual roles of family member and wage earner; as well as gaining entry-level employment in a high skill, high-wage job or continuing the student's education at an institution of higher education.

CTE integrates concepts from the academic curriculum, guides students in applying high-level academic concepts to real-world activities, and provides opportunities for students to explore all aspects of an industry. High school students can select a coherent sequence of CTE courses within a program of study plan, which provides a graduation and higher education coursework plan.

**STATE BOARD OF EDUCATION**

The State Board of Education (SBOE) serves as the State Board for Career and Technical Education and in this role submits the State Plan for Career and Technical Education to the U.S. Department of Education so that Texas can receive federal Perkins grant funding. It also adopts Texas Essential Knowledge and Skills CTE curriculum standards, the development of which is coordinated by the Texas Education Agency.

**TEXAS EDUCATION AGENCY**

The Texas Education Agency (TEA) oversees and supports public secondary CTE in several ways. The agency provides CTE-related curriculum guidelines and assistance, allocates and oversees state and federal funding, and monitors the effectiveness of CTE programs. It acts as the lead agency for the administration of federal Perkins Act funding and compliance with its accountability requirements. Also, TEA monitors school district CTE programs using its Performance Based Monitoring System.

Through its College and Career Initiative grant and AchieveTexas, TEA assists school districts with developing CTE programs of study, based on the career clusters concept. Career clusters are groups of similar occupations that students can use to plan their CTE studies. Each of the sixteen career clusters have associated programs of study detailing a recommended sequence of coursework for high school and postsecondary education related to a student's interest or career goal.

TEA also administers several initiatives that enhance CTE in public schools. These include the High Schools That Work program, Early College High Schools, and Texas Science Technology Engineering and Math (T-STEM) initiatives. TEA provides funding and guidance, in partnership with the Texas High School Project, to Early College High Schools which allow students at risk of dropping out, economically disadvantaged, or first-generation college-goers to earn a high school diploma and 60 college credit hours simultaneously. It also supports T-STEM academies, centers, and networks that seek to significantly increase the number of STEM career professionals. Through the High Schools That Work program, TEA provides funding to qualified school districts to improve school performance through the use of rigorous CTE programs.

**AGENCY AND PROGRAM INTER-RELATIONSHIPS**

To administer its state level CTE functions, TEA primarily interacts with the Texas Workforce Investment Council (TWIC), the Texas Higher Education Coordinating Board (THECB), the Texas Youth Commission (TYC), the Texas

**FIGURE 1  
TWIC EXPENDITURES, FISCAL YEARS 2006 TO 2010**

|                         | 2006      | 2007      | 2008      | 2009      | 2010      | FIVE-YEAR PERCENT CHANGE |
|-------------------------|-----------|-----------|-----------|-----------|-----------|--------------------------|
| TWIC Total Expenditures | \$861,017 | \$891,464 | \$957,157 | \$919,283 | \$888,247 | 3.1%                     |

SOURCES: Legislative Budget Board; Texas Workforce Investment Council.

Department of Criminal Justice-Windham School district (TDCJ-WSD), and the Texas Workforce Commission (TWC).

Coordination with TWIC focuses on strategic planning, inter-agency projects, and evaluation of state workforce development system performance. TEA is represented on the Council, participates in its workforce system planning and system integration projects, and submits annual performance data to TWIC.

The agency works with THECB on CTE curriculum development and guidance for school districts, and development of public school to higher education transition processes that enhance career training. These processes include dual credit, Advanced Technical Credit, and articulated credit. TEA also partners with THECB and TWC to coordinate adult education programs and the TWC student outcome data system. Finally, TEA allocates Perkins grant funding to TYC and TDCJ-WSD, and assists with their Perkins-related reporting requirements to the U.S. Department of Education.

The P-16 Council, composed of the Commissioners of Education and Higher Education, public members, and other agency directors, advises THECB, TEA, and SBOE on the coordination of secondary and postsecondary CTE, as well as other responsibilities related to academic education. The P-16 Council also develops college and career readiness goals and objectives affecting CTE.

In addition to its public education administrative functions, TEA works with school districts to obtain private sector support for their CTE programs. For example, TEA established a partnership with CompTIA, an information technology company, to allow all high schools and higher education institutions to become members of CompTIA's Education to Careers program. The program provides student training and opportunities to receive industry recognized certification. TEA also interacts with Education Service Centers to support their work in providing professional development for CTE high school educators and technical assistance to school district CTE programs.

### **FUNDING ALLOCATIONS**

The federal Perkins basic grant for public education has three components: a formula-based direct allocation to school districts; statewide leadership activities; and TEA administration. TEA allocates 10 percent of the direct allocation to districts as an incentive for school districts to

meet or exceed their Perkins core indicator performance targets. Of the remaining funds, 30 percent is awarded based on a district's population age 5 to 17, and 70 percent is awarded based on a district's population age 5 to 17 who are economically disadvantaged.

Federal law allows TEA to expend up to 10 percent of the overall basic grant for leadership activities, which include professional development, curriculum development, student organization support services, and research. Finally, TEA may allocate up to 10 percent of the basic grant for agency administration, however, between fiscal years 2006 and 2010 the agency used at most 3.5 percent for administration.

The State Board of Education determines the proportion of the Perkins basic grant that will be allocated to public education and to higher education. TEA transfers the higher education portion of the basic grant to THECB. From fiscal years 2006 to 2008, the proportional split was 60 percent for public education, 40 percent for higher education. For fiscal year 2009 and thereafter, the SBOE adjusted the allocation to 70 percent for public education, 30 percent for higher education.

TEA distributes Foundation School Program (FSP) state aid to school districts, a funding stream that includes a weighted allotment associated with CTE course-taking. The allotment is 1.35 for each full-time-equivalent student in a CTE program. A full time equivalent student is defined as a person receiving at least 30 contact hours per week from CTE educators.

**Figure 2** shows state and federal funding for public secondary CTE from fiscal years 2006 to 2010. As stated above, federal funding increased in fiscal year 2009 because the SBOE raised the public education portion of the Perkins basic grant. FSP state aid for school districts associated with the CTE weighted allotment increased in fiscal year 2010 due to an additional allotment of \$50 per student in advanced CTE courses.

### **STUDENT PARTICIPATION IN CTE**

**Figure 3** shows the number of students who enrolled in CTE courses, and the number who concentrated in a CTE program, from fiscal years 2006 to 2010. CTE concentrators are those who indicated an intent to follow a coherent sequence of CTE courses throughout high school, but may not be enrolled in a CTE course at the time of the fall student population count. CTE course-takers are students taking at least one such course during the fall semester.

**FIGURE 2  
PUBLIC SECONDARY CTE EXPENDITURES BY FUNDING SOURCE, FISCAL YEARS 2006 TO 2010**

IN MILLIONS

| SOURCE                            | 2006          | 2007          | 2008          | 2009          | 2010          | FIVE-YEAR PERCENT CHANGE |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| <u>Federal</u>                    |               |               |               |               |               |                          |
| Perkins Basic Grant               |               |               |               |               |               |                          |
| ISD/Charter Direct Allocation     | \$50.1        | \$50.5        | \$50.4        | \$56.8        | \$56.2        | 12.2%                    |
| Leadership                        | 6.0           | 5.0           | 5.0           | 6.5           | 6.5           | 7.5%                     |
| TEA Administration                | 1.5           | 1.7           | 2.0           | 2.1           | 2.1           | 38.4%                    |
| <b>TOTAL, PERKINS BASIC GRANT</b> | <b>\$57.6</b> | <b>\$57.2</b> | <b>\$57.4</b> | <b>\$65.4</b> | <b>\$64.8</b> | <b>12.4%</b>             |
| <u>State</u>                      |               |               |               |               |               |                          |
| CTE State Allotment               | \$299.0       | \$364.0       | \$380.0       | \$414.0       | \$464.0       | 55.2%                    |

SOURCES: Legislative Budget Board; Texas Education Agency.

**FIGURE 3  
PUBLIC SECONDARY CTE STUDENT PARTICIPATION  
FISCAL YEARS 2006 TO 2010**

|                           | 2006    | 2007    | 2008    | 2009    | 2010    | FIVE-YEAR PERCENT CHANGE |
|---------------------------|---------|---------|---------|---------|---------|--------------------------|
| Student CTE Course-Takers | 280,700 | 329,161 | 372,310 | 385,937 | 397,491 | 41.6%                    |
| Student CTE Concentrators | 404,553 | 378,828 | 367,999 | 379,733 | 395,626 | (2.2)%                   |

SOURCES: Legislative Budget Board; Texas Education Agency.

During the five-year period, the number of CTE course-takers increased significantly, with fiscal year 2010 participation 41.6 percent higher than fiscal year 2006. The number of CTE concentrators fluctuated slightly, ending with 2.2 percent fewer students than in fiscal year 2006.

**ACCOUNTABILITY**

As required by the Perkins Act and the U.S. Department of Education (USDE), public secondary CTE programs are monitored based on eight accountability measures, known as core indicators. States negotiate annual targets for each core indicator with the USDE and report core indicator performance data to the USDE in their Consolidated Annual Report. School districts report core indicator performance to TEA on an annual basis as well. TEA may intervene in a school district’s CTE program if it does not meet threshold levels for its core indicator targets over a certain number of years.

The Texas Workforce Investment Council (TWIC) is required by state law to evaluate the state’s workforce development system, including public secondary CTE. As a

member agency, TEA provides performance measure data to TWIC for its annual evaluation reports.

**Figure 4** shows performance levels for two measures that are reported to USDE by TEA. The CTE student completion rate, and the CTE student entered employment or higher education placement rate. CTE students are those who are pursuing a coherent sequence of these courses. The completion rate reflects the percent of CTE students who within four years of entering high school either graduated, are still completing high school, or earned a General Equivalency Diploma (GED). The completion rate among CTE students fluctuated slightly during the five-year period, ending at 94.62 percent in fiscal year 2010 compared to a low of 88.40 percent in fiscal year 2007.

The entered employment/higher education placement rate reflects the percent of CTE student who were employed or continuing their education at the postsecondary level the year following their exit from high school. This outcome decreased during the five-year period, starting at 76.15 percent and ending at 70.01 percent in fiscal year 2010.

**FIGURE 4  
PUBLIC SCHOOL CTE PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                       | 2006   | 2007   | 2008   | 2009   | 2010   |
|-------------------------------------------------------|--------|--------|--------|--------|--------|
| CTE Student Completion Rate                           | 92.05% | 88.40% | 90.63% | 88.53% | 94.62% |
| Entered Employment or Higher Education Placement Rate | 76.15% | 72.72% | 73.39% | 73.06% | 70.01% |

SOURCE: Texas Workforce Investment Council.

**TEXAS YOUTH COMMISSION**

Texas Youth Commission (TYC) programs offer career and technical education; employment preparation and career exploration through the Reintegration of Offenders–Youth program; and employment experience through Campus Work programs and the Prison Industries Enhancement (PIE) program. These programs operate in tandem with academic programs to improve each student’s knowledge and skills, and allow them to earn either a high school diploma or a GED. Also, the agency coordinates with community-based organizations for additional training, supportive services, and employment assistance during the period following TYC release.

The agency’s CTE programs provide instruction and training in high demand occupations. Many CTE courses are aligned with industry certification to give students an opportunity to develop occupationally specific skills and obtain industry recognized certification.

Project RIO–Youth (RIO–Y) is a joint partnership between TYC and the Texas Workforce Commission (TWC). The program prepares youth for education and training as well as employment after release from a TYC facility. Students who participate in Project RIO–Youth also receive continued workforce development assistance during parole.

Campus Work programs provide an opportunity for those youth who are successfully working on all aspects of their re-entry plan and exhibiting appropriate behavior to apply for work with facility staff in areas such as grounds keeping, maintenance, cafeteria, laundry, and some office assistance. This program can be aligned with a career preparation class to aid the student in earning high school credit.

Prison Industry Enhancement (PIE) programs feature partnerships between private sector employers and juvenile detention facilities that allow troubled youth to receive job training and employment experience, and facilitate their transition back into society.

**AGENCY AND PROGRAM INTER-RELATIONSHIPS**

The Texas Education Agency (TEA) provides TYC with career guidance information to improve the quality of its CTE programs. The two agencies interact regarding CTE course and program standards, teacher certification, and instructional materials. TEA also advises TYC about federal requirements under the Perkins Act, which authorizes CTE funding for incarcerated youth.

Licensing and certifying organizations partner with the agency to ensure its industry certifications meet current program and professional standards. TYC also collaborates with many community-based organizations to provide students with vocational training and employment opportunities. These organizations, which include local community colleges and workforce solution centers, often participate in career fairs for TYC students. Also, certain community colleges offer TYC students dual credit courses.

**FUNDING ALLOCATIONS**

TYC workforce development programs are funded through three primary sources. The largest is a direct appropriation of General Revenue Funds for CTE instructor positions and related costs. Secondly, TEA transfers a portion of the Perkins grant to TYC in compliance with a federal requirement that at least one percent of each state’s overall grant be used to support CTE for incarcerated youth. Finally, TWC provides interagency contract funding for the Project RIO–Youth program.

Figure 5 shows expenditures for TYC workforce development programs for fiscal years 2006 to 2010. The Perkins grant allocation decreased by 10.9 percent during the five-year period. Expenditures of General Revenue Funds for CTE programs increased by 5.0 percent from fiscal years 2006 to 2010. Project RIO–Youth expenditures for fiscal year 2010 exceeded fiscal year 2006 level by 6.3 percent.

**TYC PROGRAM STUDENT PARTICIPATION**

Figure 6 shows the number of students participating in CTE/vocational programs, and those in Project RIO–Youth,

**FIGURE 5  
TYC PROGRAM EXPENDITURES BY FUNDING SOURCE  
FISCAL YEARS 2006 TO 2010**

| SOURCE                | 2006        | 2007        | 2008        | 2009        | 2010        | FIVE-YEAR PERCENT CHANGE |
|-----------------------|-------------|-------------|-------------|-------------|-------------|--------------------------|
| <u>Federal</u>        |             |             |             |             |             |                          |
| Perkins Basic Grant   | \$175,981   | \$160,877   | \$190,967   | \$156,090   | \$156,794   | (10.9%)                  |
| <u>State</u>          |             |             |             |             |             |                          |
| General Revenue Funds | \$2,125,497 | \$2,634,054 | \$2,571,341 | \$2,371,253 | \$2,231,938 | 5.0%                     |
| Project RIO–Youth     | \$410,968   | \$486,330   | \$386,112   | \$479,224   | \$436,898   | 6.3%                     |

SOURCES: Legislative Budget Board; Texas Youth Commission.

**FIGURE 6  
TYC STUDENT PARTICIPATION IN CTE/VOCATIONAL PROGRAMS  
FISCAL YEARS 2006 TO 2010**

|                                             | 2006  | 2007  | 2008  | 2009  | 2010  | FIVE-YEAR PERCENT CHANGE |
|---------------------------------------------|-------|-------|-------|-------|-------|--------------------------|
| Students Served in Vocational Programs      | 4,421 | 4,113 | 3,881 | 3,261 | 2,663 | (39.8%)                  |
| Students Participating in Project RIO–Youth | 909   | 1,119 | 820   | 849   | 758   | (16.6%)                  |

SOURCES: Legislative Budget Board; Texas Youth Commission.

from fiscal years 2006 to 2010. Participation in both programs decreased significantly during the five-year period, mirroring the overall decrease in the TYC student population.

**ACCOUNTABILITY**

TYC is held accountable to the Legislature and the Governor through the Legislative Budget Board’s performance-based monitoring process. The Legislative Budget Board requires state agencies to report their actual performance measure data, along with a comparison to targeted performance levels, on an annual basis. If there are variances greater than five percent from those targets, they must provide an explanation. Performance targets for each measure are established by the Legislature in the General Appropriations Act. Also, TYC reports performance outcomes the Texas Workforce Investment Council for its annual workforce development system evaluations.

**Figure 7** shows the percent of TYC students age 16 or above who earned a high school diploma or GED 90 days after release from a TYC institution, from fiscal years 2006 to 2010. This measure of educational achievement decreased from 47.98 percent to 34.90 percent during this five-year period. It should be noted that TYC students typically enter an institution functioning at a fifth grade level in math and sixth grade level in reading. These levels are four to five years below their peers, and a significant portion of an institution’s population qualifies for special education.

**FIGURE 7  
TYC PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                               | 2006   | 2007   | 2008   | 2009   | 2010   |
|---------------------------------------------------------------|--------|--------|--------|--------|--------|
| Percent of CTE Program Participants Who Earn a Diploma or GED | 47.98% | 47.68% | 44.93% | 40.55% | 34.90% |

SOURCE: Texas Youth Commission.

## POSTSECONDARY CAREER AND TECHNICAL EDUCATION

### COMMUNITY AND TECHNICAL COLLEGES

Community and technical colleges are the primary providers of career and technical education (CTE) in Texas postsecondary education. They include 50 community colleges, the Texas State Technical College System institutions, and the two-year Lamar institutions within the Texas State University System. Combined, these institutions served 192,589 students enrolled in CTE programs and expended \$25.0 million in federal Perkins Act funding and \$323.0 million in General Revenue Funds for contact hours associated with students majoring in CTE subjects during fiscal year 2010.

### TEXAS HIGHER EDUCATION COORDINATING BOARD

The main role of the Texas Higher Education Coordinating Board (THECB) in the state's workforce development system is to provide leadership for, and oversight of community and technical colleges. The THECB oversees CTE-related associate degree and certificate programs in community and technical colleges (CTCs). The agency approves new and revised workforce education program requests that CTCs submit, administers federal grant programs, and provides support services to CTCs. In conjunction with the Texas Education Agency (TEA), THECB develops a Perkins State Plan for Career and Technical Education. It also monitors these institutions' CTE programs through its accountability system, as well as on-site reviews that ensure compliance with statutory requirements and agency rules.

The agency administers the higher education portion of the federal Perkins Act, which authorizes federal funding for the Perkins basic grant and Tech Prep. The basic grant must be used by THECB, as well as community and technical colleges, to improve CTE programs. Tech Prep funding supports the development of high school-to-college CTE programs of study in which secondary students can earn postsecondary credit. The THECB distributes Tech Prep grants to 26 regional Tech Prep consortia, which are partnerships governed by school district, postsecondary institution, workforce development board, and employer representatives. A primary focus of the consortia is on expanding opportunities for students to earn college CTE credit through articulation agreements between school districts and CTCs.

### AGENCY AND PROGRAM INTER-RELATIONSHIPS

The THECB and the TEA coordinate their career and technical education efforts in several ways. The P-16 Council composed of the Commissioners of Education and Higher Education, as well as other state agency representatives, advises THECB, TEA, and the State Board of Education (SBOE), on the coordination of secondary and postsecondary CTE. The two agencies also collaborate in their oversight of CTE programs in public and higher education institutions, and develop aligned program and course standards. They also coordinate the administrative, funding, and accountability responsibilities established by the U.S. Department of Education under the Perkins Act.

Through its involvement with the Texas Workforce Investment Council (TWIC), the THECB interacts with multiple state agencies to coordinate a network of programs and efforts aimed at developing a highly skilled, well-educated workforce. These efforts include adult basic education coordination, strengthening career pathways for students transitioning to higher education or employment, and development of a workforce education supply-demand database. The database is a joint project of THECB and the Texas Workforce Commission that will provide reports which education and training providers can use to plan and better align their programs to industry needs.

### FUNDING ALLOCATIONS

Federal Perkins basic grants are allotted to states under a statutory formula based on the state's population in certain age groups and per capita income. The SBOE determines the proportion of the state's grant that will be allocated to public education and to higher education. TEA transfers the higher education portion to THECB. From fiscal years 2006 to 2008, the proportional split was 60 percent for public education, 40 percent for higher education. For fiscal year 2009 and thereafter, the SBOE adjusted the allocation to 70 percent for public education, 30 percent for higher education. This adjustment accounts for the decrease in Perkins funding for CTCs reflected in **Figure 8** for fiscal years 2009 and 2010.

The higher education portion of the Perkins basic grant has three components: a direct allocation to CTCs, statewide leadership activities, and agency administration. Community and technical colleges receive their allocation based on the percent of technical student majors who are eligible for federal Pell grants.

**FIGURE 8  
COMMUNITY AND TECHNICAL COLLEGES CAREER AND TECHNICAL EDUCATION EXPENDITURES BY FUNDING SOURCE, FISCAL YEARS 2006 TO 2010**

IN MILLIONS

| SOURCE                                 | 2006          | 2007          | 2008          | 2009          | 2010          | FIVE-YEAR PERCENT CHANGE |
|----------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| <u>Federal</u>                         |               |               |               |               |               |                          |
| <u>Perkins Basic Grant</u>             |               |               |               |               |               |                          |
| CTC Direct Allocation                  | \$33.2        | \$33.2        | \$33.0        | \$28.9        | \$25.1        | (24.4%)                  |
| Statewide Leadership                   | 2.9           | 2.5           | 2.1           | 1.8           | 1.8           | (40.2%)                  |
| THECB Administration                   | 0.9           | 1.2           | 1.0           | 1.0           | 1.0           | 10.2%                    |
| <b>TOTAL, PERKINS BASIC GRANT</b>      | <b>\$37.0</b> | <b>\$36.9</b> | <b>\$36.1</b> | <b>\$31.6</b> | <b>\$27.8</b> | <b>(24.8%)</b>           |
| <u>Perkins Tech Prep Grant</u>         |               |               |               |               |               |                          |
| Consortia Allocation                   | \$8.1         | \$8.2         | \$8.2         | \$8.3         | \$8.3         | 2.5%                     |
| THECB Administration                   | 0.2           | 0.1           | 0.2           | 0.1           | 0.1           | (39.4%)                  |
| <b>TOTAL, TECH PREP GRANT</b>          | <b>\$8.2</b>  | <b>\$8.3</b>  | <b>\$8.4</b>  | <b>\$8.4</b>  | <b>\$8.4</b>  | <b>1.7%</b>              |
| <u>State</u>                           |               |               |               |               |               |                          |
| Technical Student Contact Hour Funding | \$349.5       | \$349.5       | \$337.9       | \$337.9       | \$323.0       | (7.6%)                   |

NOTE: Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts.  
SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board.

Federal law allows THECB to expend up to 10 percent of the overall basic grant for statewide leadership activities, which includes professional development and curriculum improvements. Leadership grant funds are awarded based on a competitive process through a Request for Applications. Also, THECB may allocate up to 5 percent of the basic grant for agency administration. From fiscal years 2006 to 2010, the agency used approximately 4 percent or less for this purpose.

Similar to the basic grant, the Tech Prep grant authorized by Title II of the Perkins Act is allocated to states based on their per capita income and population in certain age groups. The THECB allocates 65 percent of the Tech Prep grant equally among the 26 Tech Prep consortia, and 35 percent based on the grades 9 to 12 student population served by each consortium.

Community and technical colleges receive appropriations of state General Revenue Funds for CTE programs based on their technical student contact hours, a measure of educational output. Student contact hours refer to hours of instructional time delivered during the “base year”, or calendar year prior to each legislative session. The methodology for allocating funding to community and technical colleges, which includes a program cost factor, is

established by THECB and reflected in the General Appropriations Act funding for each institution.

Figure 8 shows expenditures from the federal Perkins basic and Tech Prep grants, and expenditures associated with technical student contact hours, for community and technical colleges for fiscal years 2006 to 2010. Declining expenditures from the Perkins basic grant stemmed from the SBOE’s decision to reduce the higher education portion of the grant. General Revenue Fund expenditures based on technical student contact hours decreased during the five years, ending with fiscal year 2010 expenditures 7.6 percent lower than fiscal year 2006. This mirrors a trend in contact hour funding patterns for community colleges overall—the proportion of total funding associated with academic contact hours increased, while the proportion related to technical contact hours decreased, during the five-year period.

**COMMUNITY AND TECHNICAL COLLEGE  
CTE STUDENT ENROLLMENT**

Figure 9 shows the enrollment in CTE/technical programs for community and technical colleges. Although CTE student enrollment fluctuated during the five-year period, fiscal year 2010 enrollment exceeded fiscal year 2006 by 8.4 percent. These fluctuations reflect the fact that CTE course-taking can vary significantly by community and technical

**FIGURE 9  
COMMUNITY AND TECHNICAL COLLEGES  
CTE/TECHNICAL STUDENT ENROLLMENT, FISCAL YEARS 2006 TO 2010**

|                                  | 2006    | 2007    | 2008    | 2009    | 2010    | FIVE-YEAR PERCENT CHANGE |
|----------------------------------|---------|---------|---------|---------|---------|--------------------------|
| CTE/Technical Student Enrollment | 177,730 | 183,523 | 190,657 | 168,841 | 192,589 | 8.4%                     |

NOTE: Figures reflect unduplicated fall enrollment.

SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board; Texas State Technical College System; Texas State University System.

college campus. Also, in fiscal year 2009, more community college students entered academic programs than technical programs. In fiscal year 2010, this trend changed as many students sought technical credentials to get jobs more readily.

**ACCOUNTABILITY**

The U.S. Department of Education (USDE) holds THECB accountable for its allocation of Perkins grant funding. USDE does this by establishing outcome targets for six basic grant and nine Tech Prep core indicators. Targets for these measures are negotiated between THECB and USDE. One negotiation resulted in a two year transition to the new core indicators required by the 2006 reauthorization of the Perkins Act. Performance reporting based on the new indicators did not take effect until fiscal year 2008.

The THECB also reports outcome measures to TWIC each year. The Council includes outcome data for two year institutions in its annual workforce development system evaluation reports. Performance measures reported to TWIC include the percent of community and technical college students who entered employment upon program completion, and those who obtained a postsecondary credential (e.g. associates degree) within six years of initial enrollment.

Community and technical colleges report performance data to THECB by using the agency’s online accountability system. This performance data, which includes graduation

rates and transition to four year institutions, can be accessed on the THECB website. Outcome measures established by the Legislative Budget Board (LBB) are also included in the agency’s accountability system.

**Figure 10** shows performance outcomes for CTE/technical students in community and technical colleges. The percent of technical students who attained an advanced technical credential or associates degree within six years of entering a CTC credential program fluctuated during the five-year period, ending at 22.81 percent in fiscal year 2010. It should be noted that this measure does not fully reflect the success of CTCs in serving student needs. Students who initially declared a technical major may later find that a certificate or degree is unnecessary in order to obtain employment in a desired occupation. In these cases, the institution succeeded in helping its students reach their career goals, even though they did not earn a credential.

The percent of technical students who entered employment or transitioned to another higher education credential program within one year after obtaining an advanced technical certificate or associates degree declined slightly during the five-year period—from 88.38 in fiscal year 2006 to 86.41 percent in fiscal year 2010.

**COMMUNITY COLLEGES**

Texas has 50 public community college districts, five of which have multiple campuses. Their mission is to teach

**FIGURE 10  
COMMUNITY AND TECHNICAL COLLEGES CTE/TECHNICAL PROGRAMS  
PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                                                        | 2006   | 2007   | 2008   | 2009   | 2010   |
|----------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Percent of Technical Students Obtaining a Higher Education Credential Within Six Years | 20.44% | 22.02% | 24.02% | 23.18% | 22.81% |
| Percent of Technical Students Entered Employment or Continued Higher Education         | 88.38% | 89.09% | 85.88% | 86.67% | 86.41% |

SOURCES: Legislative Budget Board; Texas Workforce Investment Council; Texas Higher Education Coordinating Board.

academic courses leading to an associate's degree, and technical courses leading to an associate's degree or certificate in a skilled occupation. Community colleges also provide continuing education, developmental education, workforce development training, adult literacy and skills programs, counseling and guidance services. These institutions are governed by locally elected boards, and receive funding from federal, state, local tax revenue, tuition and fee revenue, and non-profit sources.

Technical associates degree programs at community colleges feature a coherent sequence of CTE courses designed to prepare students for career employment. These programs are developed by colleges working in conjunction with employers to satisfy labor market demands. For example, some community colleges have two year nursing programs leading to an Associate of Applied Science degree. Student can also earn technical certificates in fields such as welding, computer technology, and culinary arts. Community colleges typically have non-credit continuing education courses; and many offer customized training to serve the workforce needs of local employers and skill development needs of workers. Also, community college CTE programs often have connections with school districts through dual credit, Advanced Technical Credit, and Tech Prep programs to provide students flexible career pathways that include further education, training, and career development.

### **COMMUNITY COLLEGE CTE PROGRAM INTER-RELATIONSHIPS**

Community colleges interact with a wide array of state and local, public and private entities. In addition to the administrative relationships they have with the Texas Higher Education Coordinating Board (THECB), they also interact frequently with the Texas Workforce Commission (TWC). The agency provides them valuable employment and economic information for planning their CTE programs and giving their students career guidance. TWC also awards training grants to community college-employer partnerships through the Skills Development Fund.

At the regional and local levels, community colleges collaborate with employers and local workforce development boards. Employers play a significant role in crafting community college curricula by serving on local advisory boards for specific CTE programs. Local advisory boards provide input to community college faculty on the content and delivery of CTE courses to better align curriculum and instruction with employer workforce needs. Employers also

offer work-based learning experiences to students through paid internships and workplace training programs.

Community colleges collaborate with local workforce development boards (LWDBs) by serving on their governing boards. This gives community colleges a role in the planning and coordinating regional economic development efforts. LWDBs and their workforce solution centers contract with community colleges as training providers serving the targeted industry labor needs of their areas. LWDBs and community colleges also form partnerships with employers and school districts to offer students a career pathways education in fields such as healthcare and energy.

### **FUNDING ALLOCATIONS**

As mentioned in the previous section, the State Board of Education (SBOE) determines the portion of the state's Perkins basic grant allocated to higher education. This allocation decreased from 40 percent to 30 percent beginning in fiscal year 2009. Each community college receives a basic grant allotment based on the percent of its CTE students who are eligible for federal Pell grants.

Community colleges receive appropriations of General Revenue Funds for CTE programs based on their technical student contact hours. Student contact hours refer to hours of instructional time delivered during the "base year," or calendar year prior to each legislative session. The methodology for allocating funding to community colleges, which includes a program cost factor, is established by THECB and reflected in the General Appropriations Act funding for each institution.

**Figure 11** shows expenditures for fiscal years 2006 to 2010 from the federal Perkins basic and CTE technical student contact hour funding for community colleges. The 24.2 percent decrease in basic grant expenditures stemmed from the SBOE's adjustment of the higher education allocation for fiscal years 2009 and thereafter. The 10.0 percent decrease in state General Revenue Fund expenditures reflects the declining share of community college funding related to technical student contact hours.

Community colleges receive funding for their CTE programs from other sources as well, however, expenditures from these sources are not shown here because statewide totals for them are not available. These sources include student fees from continuing education courses, customized training contracts with local employers, and grants from public, private for-

**FIGURE 11  
COMMUNITY COLLEGE CAREER AND TECHNICAL EDUCATION EXPENDITURES BY FUNDING SOURCE,  
FISCAL YEARS 2006 TO 2010**

IN MILLIONS

| SOURCE                                                       | 2006    | 2007    | 2008    | 2009    | 2010    | FIVE-YEAR PERCENT CHANGE |
|--------------------------------------------------------------|---------|---------|---------|---------|---------|--------------------------|
| <u>Federal</u>                                               |         |         |         |         |         |                          |
| Perkins Basic Grant                                          | \$29.2  | \$29.0  | \$29.1  | \$25.5  | \$22.1  | (24.2%)                  |
| <u>State</u>                                                 |         |         |         |         |         |                          |
| General Revenue Funds–Technical Student Contact Hour Funding | \$307.0 | \$307.0 | \$293.2 | \$293.2 | \$276.4 | (10.0%)                  |

SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board.

profit, and non-profit entities (such as TWC’s Skills Development Fund).

**Figure 12** shows the fall enrollment in CTE programs for community colleges from fiscal years 2006 to 2010. During this period enrollment increased steadily until fiscal year 2009 when it declined 13.5 percent. The next fiscal year, however, it increased 14.1 percent. Fiscal year 2010 enrollment ended 6.3 percent higher than fiscal year 2006. As stated previously, the fiscal year 2009 enrollment decrease probably resulted from a greater student interest in academic program courses that would transfer to a four-year university. This trend changed in fiscal year 2010 when more students sought technical credentials.

**ACCOUNTABILITY**

Community colleges are held accountable for the results of their CTE programs primarily by the THECB. The agency requires community colleges to report Perkins core indicator data, and other CTE related measures through the THECB accountability reporting system. Community colleges must explain significant annual variances from core indicator targets, and can be subject to on-site intervention reviews for repeated failure to meet their targets. Also, the agency conducts regular on-site visits to evaluate community college CTE programs every four years.

**Figure 13** shows performance outcomes indicated by two measures for fiscal years 2006 to 2010. The percent of technical students who attained a technical certificate or associates degree within six years of entering a credential program fluctuated during the five-year period, ending at 21.07 percent in fiscal year 2010. As noted previously, this measure is not entirely indicative of these institutions’ performance. Students may find a certificate or degree is unnecessary to find employment in a desired occupation. This reflects that fact community colleges serve a broader range of student needs than those served by four year institutions.

The percent of technical students who entered employment or transitioned to another higher education credential program within one year after obtaining an advanced technical certificate or associates degree decreased slightly during the five-year period—from 88.50 in fiscal year 2006 to 86.54 percent in fiscal year 2010. These results are similar to performance outcomes for community and technical colleges overall as indicted in the prior section.

**TEXAS STATE TECHNICAL COLLEGE SYSTEM**

The Texas State Technical College (TSTC) System institutions offer education and training in advanced and emerging technologies, including training for high demand technical

**FIGURE 12  
COMMUNITY COLLEGES CTE/TECHNICAL STUDENT ENROLLMENT  
FISCAL YEARS 2006 TO 2010**

|                                  | 2006    | 2007    | 2008    | 2009    | 2010    | FIVE-YEAR PERCENT CHANGE |
|----------------------------------|---------|---------|---------|---------|---------|--------------------------|
| CTE/Technical Student Enrollment | 161,521 | 168,048 | 174,071 | 150,519 | 171,773 | 6.3%                     |

NOTE: Figures reflect unduplicated fall enrollment.  
SOURCES: Legislative Budget Board; Texas Workforce Investment Council.

**FIGURE 13  
COMMUNITY COLLEGE CTE/TECHNICAL PROGRAMS  
PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                                                        | 2006   | 2007   | 2008   | 2009   | 2010   |
|----------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Percent of Technical Students Entered Employment or Continued Higher Education         | 88.50% | 89.10% | 85.90% | 86.70% | 86.54% |
| Percent of Technical Students Obtaining a Higher Education Credential Within Six Years | 19.27% | 21.00% | 23.33% | 22.18% | 21.97% |

SOURCES: Legislative Budget Board; Texas Workforce Investment Council; Texas Higher Education Coordinating Board.

occupations, leading to certifications and associate degrees. TSTC institutions offer more than 120 Associate of Applied Science (AAS) degrees and certificates. The TSTC System works to develop public and private sector partnerships that give its students the ability to succeed in advanced technology careers. According to the system, its colleges are nationally recognized for conferring AAS degrees in engineering, precision production, computer information systems, communication and information sciences. In addition to the original campus, TSTC-Waco, the system includes three additional colleges, TSTC-Harlingen, TSTC-Marshall, and TSTC-West Texas, with locations in Sweetwater, Abilene, Breckenridge, and Brownwood.

**TSTC SYSTEM AND INSTITUTIONS INTER-RELATIONSHIPS**

TSTC institutions coordinate with both high schools and other institutions of higher education to serve a wide range of student populations. They deliver a significant amount of dual credit education to high school students in both technical and academic fields. TSTC’s STE(A)M initiatives work to attract more K–12 students into the critical fields of Science, Technology, Engineering and Math. TSTC institutions coordinate with the state’s community colleges in creating educational partnerships that serve all areas of the state with technical education and training. The institutions also assist returning veterans in re-entering the workforce through skills validation and training.

**FUNDING ALLOCATIONS**

State appropriations for TSTC institutions are based on the Administration and Instruction student contact hour formula, and on infrastructure formula funding. Student contact hours refer to hours of instructional time delivered during the “base year,” or calendar year prior to each legislative session. TSTC receives state funding through the infrastructure formula, which finances physical plant outlays. TSTC is also allocated a portion of the Higher Education

Assistance Fund. As shown in **Figure 14**, funding from all of these sources increased by 21.1 percent from fiscal years 2006 to 2010.

TSTC institutions provide customized job training to employers that is financed by Skills Development Fund (SDF) grants from the Texas Workforce Commission (TWC). TWC awards these grants on a competitive basis to increase employee skill levels. **Figure 14** shows that TWC awarded approximately \$1 million to \$2.4 million in SDF grants to TSTC annually from fiscal years 2006 to 2010.

TSTC receives federal funds from several sources including the Perkins Act. The Perkins basic grant allocation is based on TSTC’s number of Pell Grant eligible students and is used to enhance CTE programs and provide services to special population students. Also, the Perkins Act provides funding for competitive grants, known as statewide leadership grants. As **Figure 14** shows, Perkins funding decreased from fiscal years 2006 to 2010 due to the State Board of Education’s adjustment to the higher education portion.

Federal agencies, such as the U.S. Department of Labor (DOL) and National Science Foundation (NSF), provide workforce training funding through programs such as the NSF’s Advanced Technological Education (ATE) program and DOL’s Community-Based Job Training Program. As **Figure 14** shows, expenditures from these workforce development grant sources decreased by 62.5 percent from fiscal years 2006 to 2010.

Federal financial aid provided significant funding for TSTC. Financial aid accounted for 60 percent to 75 percent of all federal assistance from fiscal years 2006 to 2010. This was due to an increase in the Pell Grant funding nationwide and a change in Pell Grant rules that increased TSTC institutions’ awards to students. Also, TSTC institutions received significant American Recovery and Reinvestment Act (ARRA) funding in fiscal years 2009 and 2010.

**FIGURE 14  
TSTC SYSTEM EXPENDITURES BY FUNDING SOURCE  
FISCAL YEARS 2006 TO 2010**

| IN MILLIONS                     |                |                |                |                |                |                          |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| SOURCE                          | 2006           | 2007           | 2008           | 2009           | 2010           | FIVE-YEAR PERCENT CHANGE |
| <u>Federal</u>                  |                |                |                |                |                |                          |
| Perkins Basic Grant             | \$4.4          | \$4.9          | \$3.8          | \$3.7          | \$3.4          | (22.7%)                  |
| Workforce Development Grants    | 3.2            | 2.8            | 3.2            | 1.8            | 1.2            | (62.5%)                  |
| Federal Financial Aid           | 14.9           | 14.2           | 17.7           | 22.0           | 44.5           | 198.7%                   |
| ARRA & Other Federal Funds      | 3.1            | 2.8            | 3.8            | 4.4            | 10.6           | 241.9%                   |
| <b>TOTAL, FEDERAL</b>           | <b>\$25.6</b>  | <b>\$24.7</b>  | <b>\$28.4</b>  | <b>\$31.9</b>  | <b>\$59.7</b>  | <b>133.3%</b>            |
| <u>State</u>                    |                |                |                |                |                |                          |
| TSTC General Appropriations Act | \$74.0         | \$73.9         | \$77.7         | \$78.8         | \$87.1         | 17.7%                    |
| State Grants, Contracts, HEAF   | 6.8            | 6.8            | 10.2           | 10.9           | 10.8           | 58.7%                    |
| Skills Development Fund Grants  | 1.0            | 1.6            | 2.4            | 2.1            | 1.1            | 10.0%                    |
| <b>TOTAL, STATE</b>             | <b>\$81.8</b>  | <b>\$82.2</b>  | <b>\$90.3</b>  | <b>\$91.8</b>  | <b>\$99.0</b>  | <b>21.1%</b>             |
| <b>Tuition and Fees</b>         | <b>14.2</b>    | <b>17.1</b>    | <b>19.2</b>    | <b>14.8</b>    | <b>16.6</b>    | <b>16.9%</b>             |
| <b>Institutional Resources</b>  | <b>19.9</b>    | <b>17.8</b>    | <b>19.2</b>    | <b>18.8</b>    | <b>17.1</b>    | <b>(14.1%)</b>           |
| <b>GRAND TOTAL, ALL SOURCES</b> | <b>\$141.6</b> | <b>\$141.8</b> | <b>\$157.1</b> | <b>\$157.3</b> | <b>\$192.5</b> | <b>35.9%</b>             |

NOTE: Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts.  
SOURCES: Legislative Budget Board; Texas State Technical College System.

Tuition and fees paid by students and parents provided approximately 8.6 percent of TSTC’s total revenue in fiscal year 2010. Expenditures from this source increased 16.9 percent from fiscal years 2006 to 2010. Finally, institutional resources revenue, including local grants, sales revenue, and auxiliary enterprises, contributed 8.9 percent of total revenue in fiscal year 2010. Expenditures from these sources combined decreased 14.1 percent during the five-year period. Overall, TSTC System expenditures from all funding sources increased 35.9 percent from fiscal years 2006 to 2010.

**TSTC STUDENT ENROLLMENT**

Figure 15 shows the fall enrollment for the TSTC system from fiscal years 2006 to 2010. During this period enrollment

increased steadily to end at 15,456 students in fiscal year 2010, a 40.4 percent increase over fiscal year 2006.

**ACCOUNTABILITY**

The TSTC System is held accountable primarily by the Texas Higher Education Coordinating Board (THECB). The agency requires TSTC to report federal Perkins core indicator data and other CTE related measures through the THECB accountability systems. TSTC must explain significant annual variances from Perkins core indicator targets, and can be subject to on-site intervention reviews for repeated failure to meet its targets. Also, the agency conducts regular on-site visits to evaluate each TSTC campus every four years.

**FIGURE 15  
TSTC SYSTEM STUDENT ENROLLMENT  
FISCAL YEARS 2006 TO 2010**

|                    | 2006   | 2007   | 2008   | 2009   | 2010   | FIVE-YEAR PERCENT CHANGE |
|--------------------|--------|--------|--------|--------|--------|--------------------------|
| Student Enrollment | 11,010 | 10,744 | 11,610 | 13,344 | 15,456 | 40.4%                    |

NOTES: Figures reflect unduplicated fall enrollment.  
SOURCES: Legislative Budget Board; Texas State Technical College System.

**Figure 16** shows performance outcomes indicated by two measures for fiscal years 2006 to 2010. The percent of TSTC students who attained an advanced technical credential or associates degree within six years of entering a credential program decreased during the five-year period, ending at 31.16 percent in fiscal year 2010. According to the TSTC system staff, the system is developing a new approach to education and training that will shift the focus from instructional time to mastery of technical content regardless of the time required. They believe this initiative has the potential to produce more graduates in less time.

The percent of students who entered employment or transitioned to another higher education credential program within one year after obtaining an advanced technical certificate or associates degree decreased during the five-year period—from 87.70 in fiscal year 2006 to 84.90 percent in fiscal year 2010. These results are similar to performance outcomes for community and technical colleges overall as noted previously.

**TWO-YEAR LAMAR INSTITUTIONS**

Texas State University System’s (TSUS) Lamar State Colleges at Orange and Port Arthur, and the Lamar Institute of Technology are two-year state colleges that provide postsecondary career and technical education and academic programs similar to community colleges. The colleges are governed by the Texas State University Board of Regents, and do not receive local tax revenue.

The Lamar Institute of Technology (LIT), located in Beaumont, provides a curriculum consisting of more than 50 degree and certificate programs that prepare students for a wide range of careers. LIT offers degree and certificate programs in Allied Health and Science, Technology, General Education and Developmental Studies and non-credit college programs and courses through the Department of Workforce Development. LIT also provides technical licensure programs.

Lamar State College-Port Arthur offers a wide variety of academic and technical programs linked to 26 associate degrees and 19 technical certificates. It features a allied health program recognized for its student licensure rate.

Lamar State College-Orange (LSC-O) provides both academic transfer and career-oriented programs of study. LSC-O has more than 20 different career-oriented degree and certificate programs, including programs in nursing, dental assistance, industrial technology, and information technology.

**LAMAR STATE COLLEGES AND CTE PROGRAMS INTER-RELATIONSHIPS**

The two-year Lamar institutions collaborate with each other, the Texas State University System, and the Texas Higher Education Coordinating Board (THECB). In addition to the administrative, funding, and accountability relationships the colleges have with TSUS and THECB, the colleges also work with those entities to facilitate student transitions to four-year or other two-year institutions. The colleges coordinate with the state’s community colleges to develop partnerships that enrich career and technical education (CTE) and academic programs. Also, the colleges collaborate with employers to improve the alignment of CTE courses with workforce skill requirements, and develop new programs in high demand occupations.

**FUNDING ALLOCATIONS**

The two-year Lamar institutions receive federal funding from several sources. The Perkins basic grant allotment is based on these institutions share of Pell-grant eligible CTE students statewide. As **Figure 17** shows, expenditures from the Perkins basic grant decreased from fiscal years 2006 to 2010, by 16.7 percent, as a result of the State Board of Education’s adjustment in the allocation for higher education.

The U.S. Department of Labor (DOL) also allocates funding for various workforce development programs, such as Community Based Job Training and the Workforce Investment Act. Expenditures from these sources fluctuated

**FIGURE 16  
TSTC SYSTEM PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                                              | 2006   | 2007   | 2008   | 2009   | 2010   |
|------------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Percent of Students Obtaining a Higher Education Credential Within Six Years | 32.42% | 29.01% | 28.65% | 32.3%  | 31.16% |
| Percent of Students Entered Employment or Continued Higher Education         | 87.70% | 89.50% | 83.70% | 84.80% | 84.90% |

SOURCES: Legislative Budget Board; Texas Workforce Investment Council.

**FIGURE 17**  
**ALL TWO-YEAR LAMAR INSTITUTIONS EXPENDITURES BY FUNDING SOURCES,**  
**FISCAL YEARS 2006 TO 2010**

| IN MILLIONS                                          |               |               |               |               |               |                          |
|------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| SOURCE                                               | 2006          | 2007          | 2008          | 2009          | 2010          | FIVE-YEAR PERCENT CHANGE |
| <u>Federal</u>                                       |               |               |               |               |               |                          |
| Perkins Basic Grant                                  | \$1.2         | \$1.1         | \$1.2         | \$1.0         | \$1.0         | (16.7%)                  |
| Department of Labor Workforce Grants                 | 0.1           | 0.2           | 0.5           | 0.4           | 0.3           | 200.0%                   |
| Federal Financial Aid                                | 10.0          | 6.5           | 7.3           | 9.1           | 14.2          | 42.0%                    |
| ARRA & Other Federal Funds                           | 1.0           | 1.3           | 0.8           | 5.8           | 2.1           | 110.0%                   |
| <b>TOTAL, FEDERAL</b>                                | <b>\$12.2</b> | <b>\$9.1</b>  | <b>\$9.8</b>  | <b>\$16.4</b> | <b>\$17.7</b> | <b>45.1%</b>             |
| <u>State</u>                                         |               |               |               |               |               |                          |
| General Revenue Appropriation and State Grants       | \$28.1        | \$28.8        | \$30.2        | \$30.3        | \$29.2        | 3.9%                     |
| State Contracts and Higher Education Assistance Fund | 2.6           | 2.6           | 3.1           | 5.1           | 6.3           | 142.3%                   |
| <b>TOTAL, STATE</b>                                  | <b>\$30.6</b> | <b>\$31.4</b> | <b>\$33.3</b> | <b>\$35.5</b> | <b>\$35.5</b> | <b>16.0%</b>             |
| <b>Tuition and Fees</b>                              | <b>\$10.5</b> | <b>\$14.0</b> | <b>\$17.5</b> | <b>\$20.5</b> | <b>\$20.4</b> | <b>94.3%</b>             |
| <b>Institutional Resources</b>                       | <b>\$2.9</b>  | <b>\$3.5</b>  | <b>\$4.0</b>  | <b>\$11.7</b> | <b>\$4.1</b>  | <b>41.4%</b>             |
| <b>GRAND TOTAL, ALL SOURCES</b>                      | <b>\$56.2</b> | <b>\$58.0</b> | <b>\$64.6</b> | <b>\$84.1</b> | <b>\$77.7</b> | <b>38.3%</b>             |

NOTE: Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts.  
 SOURCES: Legislative Budget Board; Texas State University System.

during the five-year period, as fiscal year 2010 ended at an amount three times higher than fiscal year 2006. Federal financial aid provides major funding for the Lamar colleges and accounted for 80 percent of all federal assistance in fiscal year 2010. The higher percent is partly due to ARRA funding received in fiscal years 2009 and 2010.

State appropriations for the two-year Lamar institutions are based on student contact hour and infrastructure formula funding. Student contact hours refer to hours of instructional time, delivered in academic and CTE courses during prior years. The colleges also receive state funding through the infrastructure formula, which finances physical plant outlays. The colleges are also allocated a portion of the Higher Education Assistance Fund. As **Figure 17** shows, total expenditures from these sources increased by 16.0 percent from fiscal years 2006 to 2010.

Tuition and fees paid by students and parents provided approximately 25 percent of total revenue in fiscal year 2010. Expenditures from this sources increased significantly during the five-year period—the fiscal year 2010 amount was 94.3 percent greater than fiscal year 2006. Finally, institutional resources revenue, including local grants, sales revenue, and auxiliary enterprises, contributed 5 percent of total revenue in fiscal year 2010. This source of revenue rose dramatically

in fiscal year 2009, then fell the next year to an amount that was still 41.4 percent higher than fiscal year 2006.

#### **TWO YEAR LAMAR INSTITUTIONS STUDENT ENROLLMENT**

**Figure 18** shows the fall enrollment in CTE programs for the two-year Lamar institutions from fiscal years 2006 to 2010. During this period, total enrollment decreased in fiscal year 2007 and then increased steadily until fiscal year 2010. Enrollment in LIT grew the most, by 16.3 percent during the five-year period. Lamar State College Port Arthur enrollment decreased significantly, such that the fiscal year 2010 level was 28.7 percent lower than fiscal year 2006. Overall, CTE student fall enrollment was 3.1 percent higher at the end of the five-year period.

#### **ACCOUNTABILITY**

The two-year Lamar institutions are held accountable by the Texas State University System (TSUS) and the Texas Higher Education Coordinating Board (THECB). The agency requires the colleges to report Perkins core indicator data and other CTE related measures through the THECB accountability reporting system. The colleges must explain significant annual variances from core indicator targets, and can be subject to on-site intervention reviews for repeated failure to meet their targets. Also, the agency conducts

**FIGURE 18**  
**TWO YEAR LAMAR INSTITUTIONS CTE/TECHNICAL STUDENT ENROLLMENT**  
**FISCAL YEARS 2006 TO 2010**

| INSTITUTION                        | 2006  | 2007  | 2008  | 2009  | 2010  | FIVE-YEAR PERCENT CHANGE |
|------------------------------------|-------|-------|-------|-------|-------|--------------------------|
| Lamar Institute of Technology      | 2,711 | 2,409 | 2,590 | 2,885 | 3,154 | 16.3%                    |
| Lamar State College–Orange         | 1,186 | 1,115 | 1,152 | 1,192 | 1,278 | 7.8%                     |
| Lamar State College–Port Arthur    | 1,302 | 1,207 | 1,234 | 901   | 928   | (28.7%)                  |
| Total Technical Student Enrollment | 5,199 | 4,731 | 4,976 | 4,978 | 5,360 | 3.1%                     |

NOTES: Figures reflect unduplicated fall enrollment.  
 SOURCES: Legislative Budget Board; Texas State University System.

regular on-site visits to evaluate the colleges’ CTE programs every four years.

The Lamar institutions are held accountable to the Legislature and the Governor through the Legislative Budget Board’s performance-based monitoring process. The Legislative Budget Board requires institutions of higher education to report their actual performance measure data, along with a comparison to targeted performance levels, on an annual basis. If there are variances greater than five percent from those targets, they must provide an explanation. Performance targets for each measure are established by the Legislature in the General Appropriations Act.

Figure 19 shows performance outcomes indicated by two measures for fiscal years 2006 to 2010, for each institution and an average for all three. The percent of students who attained an advanced technical certificate or associates degree within six years of entering a credential program fluctuated during the five-year period and varied among the institutions. The Lamar State College-Port Arthur showed the highest

outcomes among the three institutions, partly because it has more students majoring in academic rather than technical subjects.

In contrast, the percent of technical students who entered employment or transitioned to another higher education credential program within one year after obtaining an advanced technical certificate or associates degree decreased for all but Lamar State College-Orange. The Lamar Institute of Technology posted higher outcomes than the other two institutions, until fiscal year 2010 when it decreased to 85.5 percent. The three year average rate decreased during the five-year period, ending at 83.4 percent in fiscal year 2010.

**TEXAS ENGINEERING EXTENSION SERVICE**

The Texas Engineering Extension Service (TEEX) offers customized training, technical assistance, and emergency response services statewide. TEEX workforce development programs include fire services, homeland security, public safety and security, public works, safety and health, search

**FIGURE 19**  
**LAMAR INSTITUTIONS PERFORMANCE OUTCOMES**  
**FISCAL YEARS 2006 TO 2010**

|                                                                                        |                                 | 2006  | 2007  | 2008  | 2009  | 2010  |
|----------------------------------------------------------------------------------------|---------------------------------|-------|-------|-------|-------|-------|
| Percent of Technical Students Obtaining a Higher Education Credential Within Six Years | Lamar Institute of Technology   | 30.5% | 32.2% | 39.3% | 32.8% | 32.6% |
|                                                                                        | Lamar State College–Orange      | 26.6% | 32.0% | 30.5% | 34.3% | 32.4% |
|                                                                                        | Lamar State College–Port Arthur | 32.9% | 37.7% | 47.2% | 36.4% | 37.2% |
|                                                                                        | Average:                        | 30.0% | 34.0% | 39.0% | 34.5% | 34.1% |
| Percent of Technical Students Entered Employment or Continued Higher Education         | Lamar Institute of Technology   | 96.5% | 98.7% | 95.2% | 93.7% | 85.5% |
|                                                                                        | Lamar State College–Orange      | 88.8% | 86.6% | 75.5% | 79.8% | 72.8% |
|                                                                                        | Lamar State College–Port Arthur | 87.4% | 86.3% | 91.4% | 89.3% | 92.0% |
|                                                                                        | Average:                        | 90.9% | 90.5% | 87.4% | 87.6% | 83.4% |

NOTES: Fiscal years 2006 to 2010 reflect years when data are reported to THECB. Due to the lag in obtaining data from Unemployment Insurance records, report year data reflect outcomes in the prior year.  
 SOURCE: Texas State University System.

and rescue, and economic development. TEEEX programs serve companies, municipalities and public service agencies nationwide.

The agency’s technical training programs primarily serve employed workers. TEEEX’s public service programs fulfill mandated training requirements for certification in fire protection, law enforcement, and solid waste, water, and wastewater treatment. Industrial sector programs offer training in occupational safety, heavy equipment operation, power distribution, job safety, telecommunications, electronics, and economic development.

Through its fire, law enforcement, and homeland security training programs, TEEEX trains emergency responders from around the world every year. TEEEX provides most of the water and wastewater operator certification training in the state, and is the sponsoring agency of Texas Task Force 1 and the Public Works Response Team.

**AGENCY AND PROGRAM INTER-RELATIONSHIPS**

To facilitate training, TEEEX coordinates with various state agencies, colleges, and universities to identify training needs, provide training programs, and make use of technical information and instructional techniques. To ensure the relevance of its certification programs, the agency works closely with the Texas Commission on Environmental Quality, the Texas Department of Transportation, the Texas Commission on Fire Protection, and other state and national certifying and accrediting organizations.

TEEEX has agreements with community colleges and four-year institutions of higher education to provide college credit for courses completed at TEEEX. The agency provides short-term training programs in collaboration with community

colleges. TEEEX operates two major national training centers in conjunction with the OSHA Southwest Education Center and the U.S. Department of Homeland Security National Emergency Response and Rescue Training Center. The agency also works closely with the Texas Workforce Commission’s Skills Development Fund staff to provide customized training for employers wanting to upgrade the skills of their labor force.

**FUNDING ALLOCATIONS**

TEEEX receives funding from a combination of sources. **Figure 20** shows expenditures associated with these sources for fiscal years 2006 to 2010. In addition to its appropriation of General Revenue Funds, the agency collects revenue through training contracts with other state agencies (Interagency Contracts); training courses paid for by businesses and individuals in the form of tuition and fees (Appropriated Receipts); a major grant/cooperative agreement with the U.S. Department of Homeland Security and federal pass-through funds; and the recovery of indirect costs associated with grant and program administration.

Expenditures from appropriations of General Revenue Funds, federal grants, and indirect cost recovery decreased during the five-year period, while Interagency Contracts expenditures increased by 12.5 percent and those from Appropriated Receipts increased by 37.9 percent. Overall, fiscal year 2010 expenditures were 1.3 percent lower than fiscal year 2006.

**FIGURE 20  
TEEEX EXPENDITURES BY FUNDING SOURCE  
FISCAL YEARS 2006 TO 2010**

| IN MILLIONS            |               |               |               |               |               |                          |
|------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
|                        | 2006          | 2007          | 2008          | 2009          | 2010          | FIVE-YEAR PERCENT CHANGE |
| Federal Grants         | \$28.8        | \$23.1        | \$22.5        | \$23.2        | \$23.3        | (19.1%)                  |
| General Revenue        | 3.2           | 2.3           | 2.0           | 4.0           | 2.8           | (12.5%)                  |
| Appropriated Receipts  | 15.3          | 22.0          | 21.9          | 20.0          | 21.1          | 37.9%                    |
| Interagency Contracts  | 4.2           | 0.1           | 1.6           | 5.1           | 4.8           | 14.3%                    |
| Indirect Cost Recovery | 10.3          | 9.1           | 8.7           | 8.8           | 9.0           | (12.6%)                  |
| <b>TOTAL</b>           | <b>\$61.8</b> | <b>\$56.6</b> | <b>\$56.6</b> | <b>\$61.2</b> | <b>\$61.0</b> | <b>(1.3%)</b>            |

NOTE: Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts.  
SOURCES: Legislative Budget Board; Texas Engineering Extension Service.

**TEEX STUDENT/CLIENT SERVICE LEVELS**

**Figure 21** shows TEEX service levels as indicated by the number of students or clients served, and the total number of contact hours with agency customers, from fiscal years 2006 to 2010. Both indicators fluctuated during the five-year period, but ended with fiscal year 2010 levels higher by 3.6 percent for students/clients served, and total contact hours higher by 6.8 percent, than fiscal year 2006 levels.

**ACCOUNTABILITY**

TEEX is held accountable to the Legislature and the Governor through the Legislative Budget Board’s performance monitoring system. The Legislative Budget Board requires state agencies to report their actual performance measure data, along with a comparison to targeted performance levels, on an annual basis. If there are variances greater than five percent from those targets, they must provide an explanation. Performance targets for each measure are established by the Legislature in the General Appropriations Act.

**Figure 22** shows performance outcomes associated with technical assistance and public sector student training for fiscal years 2006 to 2010. TEEX performance is measured by public sector student contact hours and technical assistance service hours. Public sector student contact hours represent class hours each student spends in TEEX training sessions/classes under the direction of instructional staff. Technical assistance includes activities such as orientation and planning sessions; hands-on unit operation and process monitoring; technical and market feasibility assessments; and emergency

response services. Service hours reflect time spent by TEEX providing technical assistance.

Both the number of contact and service hours increased during the five-year period. Technical assistance service hours grew the most, with the fiscal year 2010 level nearly five times the number of hours provided in fiscal year 2006.

**TEXAS DEPARTMENT OF CRIMINAL JUSTICE, WINDHAM SCHOOL DISTRICT**

The Windham School District (WSD) provides academic, vocational (career and technical education), and life skills programs to eligible offenders incarcerated within the Texas Department of Criminal Justice (TDCJ). WSD’s programs are designed to give offenders the skills they need to obtain and maintain employment. Windham offers a variety of academic and career and technical education (CTE) courses. WSD also provides postsecondary academic and vocational training to offenders through contracts with two-year community and technical colleges. During fiscal year 2010, college vocational services were available in 32 TDCJ facilities. Offenders typically complete vocational programs in a six-month period from the date of enrollment.

Offenders are selected for enrollment in WSD programs based on the Individualized Treatment Plan (ITP) process. The ITP prioritizes an individual offender’s participation in recommended programs based on the offender’s age, needs, projected release date, and program availability. For enrollment in vocational programs, highest priority is given

**FIGURE 21  
TEEX STUDENTS/CLIENTS SERVED AND TOTAL CONTACT HOURS  
FISCAL YEARS 2006 TO 2010**

|                                   | 2006      | 2007      | 2008      | 2009      | 2010      | FIVE-YEAR PERCENT CHANGE |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|--------------------------|
| Number of Students/Clients Served | 163,508   | 175,536   | 169,222   | 164,368   | 169,425   | 3.6%                     |
| Number of Total Contact Hours     | 2,746,822 | 2,770,739 | 3,048,890 | 2,772,673 | 2,934,269 | 6.8%                     |

SOURCES: Legislative Budget Board; Texas Engineering Extension Service.

**FIGURE 22  
TEEX PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                               | 2006      | 2007      | 2008      | 2009      | 2010      | FIVE-YEAR PERCENT CHANGE |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|--------------------------|
| Number of Public Sector Student Contact Hours | 1,655,857 | 1,508,297 | 1,686,373 | 1,793,707 | 1,877,307 | 13.4%                    |
| Number of Technical Assistance Service Hours  | 32,193    | 23,388    | 156,801   | 122,659   | 154,362   | 379.5%                   |

SOURCES: Legislative Budget Board; Texas Engineering Extension Service.

to offenders less than 35 years of age and within five years of release who have not previously participated in vocational training.

The district employs certified counselors for its guidance programs. Counselors offer information to potential students and enroll eligible offenders in appropriate educational programs. Counselors provide career guidance and coordinate the administration of standardized achievement tests, General Educational Development (GED) tests, and vocational interest and aptitude tests. They also assist students in developing problem-solving skills, communication skills, self-awareness and stress coping abilities.

WSD literacy programs provide adult basic education for offenders functioning below the sixth grade level, and secondary level adult education for those who are working toward attainment of a GED certificate. Literacy teachers also collaborate with vocational teachers to promote workplace competencies. According to WSD, emphasis is placed on the skills employers require, such as personal qualities, cultural sensitivity/tolerance, teamwork, decision-making and problem solving.

The Incarcerated Individuals Program (IIPG) Grant is a U.S. Department of Education grant available to states for Workplace and Community Transition training. The IIPG replaced the Youthful Offender Grant in October 2009. The new program excludes offenders with certain offenses, but extends eligibility to offenders under 36 years old who are within seven years of the initial parole review date. The grant program gives WSD students an opportunity to take CTE courses or a full-time academic course load.

The Apprenticeship program, registered with the Employment and Training Administration of the U.S. Department of Labor, provides training opportunities in a range of occupations. The program's goal is to train apprentices through supervised on-the-job training combined with related technical instruction. WSD coordinates On-The-Job Training (OJT) for TDCJ. The OJT program allows offenders to learn employable skills while performing jobs.

#### **AGENCY AND PROGRAM INTER-RELATIONSHIPS**

WSD coordinates with the Texas Education Agency (TEA) and the Texas Workforce Commission (TWC) in several ways. WSD collaborates with TEA to ensure its courses, programs, and teachers meet standards established by the agency and the State Board of Education. WSD receives both state and federal funding from TEA, and must comply with

administrative and accountability requirements associated with those funding sources. The district collaborates with TWC by sharing information regarding its students.

Through partnerships with certification and licensing agencies, WSD provides training and certifications that meet business/industry standards. Vocational students can earn certificates of achievement from WSD, and industry certificates from various certifying agencies. By offering industry certifications, WSD maintains communication and/or accreditation status with the various certifying entities. This also allows WSD staff to identify potential employment opportunities for ex-offenders.

Postsecondary programs are provided through contracts with community colleges and universities serving the geographic areas where units are located. All offenders participating in these programs must meet the criteria for admission of each community college or university. TDCJ has established criteria that must also be met, and offenders must have security and classification clearance before entry into the postsecondary programs.

#### **FUNDING ALLOCATIONS**

WSD receives funding for its academic and vocational programs from TEA's Foundation School Program (FSP) appropriation. Funding from this source is based on student instructional contact hours. TEA also transfers an appropriation for vocational programs from its federal Perkins basic grant. Appropriations of General Revenue Funds for postsecondary vocational programs are made directly to TDCJ.

**Figure 23** shows expenditures for WSD's secondary and postsecondary vocational programs from fiscal years 2006 to 2010. Expenditures for the secondary vocational program increased by 8.7 percent during this five-year period, while funding for postsecondary program decreased by 9.6 percent. Federal funding for the Youthful Offender Grant/IIPG increased significantly, with fiscal year 2010 expenditures 43.4 percent higher than fiscal year 2006.

#### **STUDENT PARTICIPATION IN VOCATIONAL PROGRAMS**

**Figure 24** shows the number of students served in secondary and postsecondary vocational programs from fiscal years 2006 to 2010. Participation decreased by 6.2 percent in the secondary vocational program during the five-year period. Participation in the vocational postsecondary program, however, increased by 7.8 percent.

**FIGURE 23**  
**WINDHAM SCHOOL DISTRICT - TDCJ PROGRAM EXPENDITURES**  
**FISCAL YEARS 2006 TO 2010**

|                                                 | 2006               | 2007               | 2008                | 2009               | 2010                | FIVE-YEAR PERCENT CHANGE |
|-------------------------------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------------|
| <u>Windham Postsecondary Vocational program</u> |                    |                    |                     |                    |                     |                          |
| <u>Federal</u>                                  |                    |                    |                     |                    |                     |                          |
| Perkins Basic Grant                             | \$735,756          | \$719,804          | \$730,548           | \$644,612          | \$715,882           | (2.7%)                   |
| <u>State</u>                                    |                    |                    |                     |                    |                     |                          |
| TEA/FSP                                         | 8,608,865          | 8,971,726          | 9,317,187           | 8,832,374          | 9,442,379           | 9.7%                     |
| <b>TOTAL</b>                                    | <b>\$9,344,621</b> | <b>\$9,691,530</b> | <b>\$10,047,735</b> | <b>\$9,476,986</b> | <b>\$10,158,261</b> | <b>8.7%</b>              |
| <u>Youthful Offender Grant/IIPG</u>             |                    |                    |                     |                    |                     |                          |
| Federal                                         | \$731,807          | \$867,494          | \$531,707           | \$483,170          | \$1,049,686         | 43.4%                    |
| <u>Windham Postsecondary Vocational program</u> |                    |                    |                     |                    |                     |                          |
| State TDCJ Appropriation                        | \$1,072,917        | \$1,105,441        | \$1,117,807         | \$1,286,282        | \$970,356           | (9.6%)                   |

NOTE: IIPG replaced the YOG as of October 1, 2009.

SOURCES: Legislative Budget Board; Department of Criminal Justice, Windham School Districts.

**FIGURE 24**  
**TDCJ WINDHAM SCHOOL DISTRICT VOCATIONAL PROGRAM PARTICIPATION**  
**FISCAL YEARS 2006 TO 2010**

| PROGRAM                               | 2006   | 2007   | 2008   | 2009   | 2010   | FIVE-YEAR PERCENT CHANGE |
|---------------------------------------|--------|--------|--------|--------|--------|--------------------------|
| Secondary Vocational Participants     | 11,555 | 11,160 | 12,182 | 11,290 | 10,835 | (6.2%)                   |
| Postsecondary Vocational Participants | 3,657  | 3,803  | 3,621  | 3,891  | 3,941  | 7.8%                     |

NOTE: Postsecondary participant data include participants in the Youthful Offender Program.

SOURCES: Legislative Budget Board; Department of Criminal Justice, Windham School District; Texas Workforce Investment Council.

**ACCOUNTABILITY**

**Figure 25** shows performance outcome measures for fiscal years 2006 to 2010. The percent of vocational secondary students awarded a certificate during each fiscal year out of all students completing a program stayed relatively constant until fiscal year 2010 when it decreased to 76.56 percent. The percent of postsecondary vocational students awarded a vocational certificate showed the same pattern with small fluctuations until fiscal year 2010, when the rate decreased to 79.50 percent. The fiscal year 2010 decrease in both areas

may be related to the changing population and student turnover that is characteristic of WSD students.

A Legislative Budget Board report titled *Windham School District Evaluation* (January 2011), provides an evaluation of the vocational training services provided by WSD. The report focuses on the vocational training services WSD provides, the type of employment that offenders obtained upon release, whether employment is related to training they received, the difference between earnings on the initial date

**FIGURE 25**  
**WINDHAM SCHOOL DISTRICT PERFORMANCE OUTCOMES**  
**FISCAL YEARS 2006 TO 2010**

|                                                      | 2006   | 2007   | 2008   | 2009   | 2010   |
|------------------------------------------------------|--------|--------|--------|--------|--------|
| Secondary Vocational/CTE Educational Achievement     | 80.26% | 80.97% | 80.03% | 78.30% | 76.56% |
| Postsecondary Vocational/CTE Educational Achievement | 81.80% | 82.79% | 82.02% | 77.54% | 79.50% |

SOURCES: Legislative Budget Board; Texas Workforce Investment Council; Texas Department of Criminal Justice, Windham School District.

of employment and on the first anniversary of that date, and employment retention factors.

**PROJECT REINTEGRATION OF OFFENDERS**

Project Reintegration of Offenders (RIO), administered by the Texas Department of Criminal Justice, provides pre-release career development services for incarcerated offenders. Program participants receive counseling regarding educational, vocational, and work opportunities that will facilitate a successful reintegration into the community. To be eligible for these services, offenders must be within 24 months of release from a prison or 18 months prior to projected release from state jail facilities.

Career exploration information is provided to the Texas Workforce Commission (TWC) to coordinate post-release employment placement. Project RIO staff create an electronic individual reentry plan (IRP) for each participant that lists the services and activities conducted while incarcerated. The IRP is submitted electronically to TWC’s automated reporting system to facilitate advancement of the offender’s employment goals.

Offenders assigned to substance abuse felony punishment facilities are eligible for Project RIO services six months prior to release. Additional eligibility criteria include appropriate security classification, the absence of felony detainers, a release plan that envisions returning to a Texas community, and the physical and mental ability to work.

**PROGRAM INTER-RELATIONSHIPS**

Project RIO staff coordinate with TWC and local workforce development boards for program administration. Local employment, educational, and social services agencies collaborate with TDCJ staff on pre- and post-transitional planning issues related to the reentry of offenders served by the program.

**FUNDING ALLOCATIONS**

TDCJ receives state funding for Project RIO primarily through an interagency contract with the Texas Workforce Commission. **Figure 26** shows expenditures for Project RIO for fiscal years 2006 to 2010. State funding increased significantly during this period, from \$3.3 million to \$4.7 million, or 42.4 percent. Project RIO overall encompasses more than the services provided by TDCJ, therefore readers should refer to the TWC section of this report for total program expenditure information.

**PROJECT RIO OFFENDER PARTICIPATION**

**Figure 27** shows the number of offenders participating in Project RIO from fiscal years 2006 to 2010. Although the agency expended significantly more in fiscal year 2010 than fiscal year 2006, it served 11.1 percent fewer offenders at the end of the five-year period.

**ACCOUNTABILITY**

An important outcome of the Project RIO program is measured by an ex-offender entering employment after exiting the program. This outcome cannot be measured at the stage during which TDCJ provides its services, because incarcerated offenders are not able to obtain post-release employment until they are released. The TWC section of this report provides performance outcome information for Project RIO.

**ADULT EDUCATION  
TEXAS EDUCATION AGENCY**

Adult education services in Texas are overseen by the Texas Education Agency’s Department of State Initiatives. As required by the Workforce Investment Act (WIA) Title II, the Texas Education Agency (TEA) has adopted a comprehensive state plan to guide implementation of adult education programs. TEA has contracted with Texas LEARNS, the state office of Adult Education and Family Literacy at the Harris County Department of Education, to

**FIGURE 26  
TDCJ PROJECT RIO EXPENDITURES  
FISCAL YEARS 2006 TO 2010**

|       | IN MILLIONS |       |       |       |       | FIVE-YEAR<br>PERCENT CHANGE |
|-------|-------------|-------|-------|-------|-------|-----------------------------|
|       | 2006        | 2007  | 2008  | 2009  | 2010  |                             |
| State | \$3.3       | \$3.4 | \$3.5 | \$3.6 | \$4.7 | 42.4%                       |

NOTE: Funding for TDCJ Project Rio is primarily from interagency contracts with the Texas Workforce Commission.  
SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

**FIGURE 27**  
**TDCJ PROJECT RIO EX-OFFENDER PARTICIPATION**  
**FISCAL YEARS 2006 TO 2010**

| <b>PARTICIPATION</b>    | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>FIVE-YEAR PERCENT CHANGE</b> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|---------------------------------|
| Participating Offenders | 65,182      | 61,663      | 59,318      | 59,070      | 57,932      | (11.1%)                         |

SOURCES: Legislative Budget Board; Texas Department of Criminal Justice.

provide nondiscretionary grant management, program assistance, and other support services to Texas’ adult education providers.

Adult education programs are categorized by either the level of instruction offered or their funding source. Adult education programs generally fall into five categories: adult basic education, adult secondary education, English as a second language, English literacy and civics, and family literacy (Even Start). Two other programs serve targeted populations and have dedicated funding streams: Temporary Assistance for Needy Families (TANF) programs, and corrections/institutionalization programs.

Adult Basic Education (ABE) programs provide basic instruction in reading, writing, and math to out-of-school youth and adults functioning at less than a secondary education completion level. TEA provides funding for ABE as authorized under WIA Title II. TEA requires providers to offer classes that are easily accessible and convenient to attend for adult students. ABE classes are conducted in schools, churches, community-based organizations, workforce development centers, libraries, and in community colleges.

Adult Secondary Education (ASE) includes instruction below the college credit level in reading, writing, literature, mathematics, science, and social studies for adults who do not have a high school diploma or its equivalent. ASE can be context-specific, but often prepares adults for high school completion or the General Educational Development (GED) tests.

English as a Second Language (ESL) instruction is for adults who are beyond compulsory education and lack competence and proficiency in English. ESL programs provide intensive instruction in listening, speaking, reading, writing, and comprehending English.

English Literacy and Civics is an integrated program that provides both English literacy instruction and civics education such as the rights and responsibilities of citizenship, the importance of civic participation, the procedures for naturalization, the principles of the U.S. Constitution, and

the history of the United States. WIA Title II authorizes funding for English Literacy and Civics. The program is a subset of total ESL funding and participants.

Family Literacy (Even Start) was developed to enhance the educational opportunities of low-income families. The Even Start program utilizes a family-centered education model to improve both the literacy skills of parents and the academic achievement of their young children. Even Start combines four core components of family literacy: adult literacy, parenting education, early childhood education, and interactive literacy activities between parents and children.

TANF adult education services provide instruction to individuals who are required to participate in adult education and job training programs as a condition for TANF eligibility. TANF-funded adult education services include ABE, ASE, and ESL.

Corrections and Institutionalized Adult Education is an integrated program that provides English language proficiency for limited English proficient adults, basic academic and functional context skills, and secondary level proficiencies for the incarcerated. These services are required by WIA Title II, Section 225, and are offered in a correctional institution for adults who function at less than a secondary completion level. A correctional institution can include a prison, reformatory, detention center, or halfway house.

**AGENCY AND PROGRAM INTER-RELATIONSHIPS**

To enhance adult education services statewide, Texas has developed a tri-agency partnership between TEA, the Texas Workforce Commission (TWC), and the Texas Higher Education Coordinating Board (THECB). Staff from these agencies coordinate ABE-related programs and plan for strategic alignment of future activities affecting adult education and literacy.

The Texas Workforce Investment Council (TWIC) fosters tri-agency collaboration by focusing on adult education in the state’s workforce development system strategic plan. Objectives in the strategic plan for 2010–2015, Advancing

Texas, include two pilot programs related to adult education which will be jointly funded and overseen by the tri-agency partnership.

In addition to these collaborative efforts, the tri-agency partnership is working to include non-federally funded adult education and literacy programs for the purpose of enhancing coordination efforts. The tri-agency partners have worked closely with non-profit organizations such as Literacy Texas to identify areas where non-federally funded programs can fill service gaps, in partnership with federally and state-funded programs.

### **FUNDING ALLOCATIONS**

TEA receives federal funds authorized by WIA Title II and Even Start from the U.S. Department of Education (USDE). Texas is required to provide matching funds for the WIA Title II allocation from non-federal sources. TEA also receives Temporary Assistance for Needy Families (TANF) funding from the U.S. Department of Health and Human Services through the Texas Health and Human Services Commission.

USDE distributes WIA Title II funds to states based on a formula allotment. Federal allocations include a basic allotment that is equal for all states, and a proportional allotment based on the number of qualifying adults in the state. The term qualifying adults are individuals at least 16 years old who are beyond the age of compulsory school attendance, not enrolled in school, and lack a high school diploma or equivalent. Prior to fiscal year 2009, data on the number of each state's qualifying adults was obtained from U.S. Census Bureau decennial dataset. For fiscal years 2010 and thereafter, this data is included in the annual American Community Survey (ACS).

To receive the WIA Title II funding, TEA must submit a five-year statewide plan for adult education services and provide 25 percent in state matching funds and/or in-kind services. WIA Title II dictates that states cannot direct less than 82.5 percent of the funds to service provision, and must ensure no more than 10 percent (of the 82.5 percent) will be used for programs focused on institutionalized individuals and prisoners. No more than 12.5 percent can be used for state leadership activities such as establishing professional development programs or providing technical assistance, and no more than 5 percent or \$65,000, whichever is greater, can be used for administrative expenses.

As authorized by Rider 46 of the 2009 General Appropriations Act, a new funding formula for adult education providers

was created based on need and performance, and was adopted by the State Board of Education for use beginning in fiscal year 2011. According to TEA, a base allocation for each provider was calculated to enable providers to offer the same level of contact hours as they had provided in the 2008–09 school year. From the funds remaining for each service provider area, a performance allocation was made available to each provider based on need in the service area. These funds are awarded based on meeting the performance targets for student outcomes and performance in the previous program year.

**Figure 28** shows expenditures for adult education for fiscal years 2006 to 2010. Expenditures from funds authorized by WIA Title II and the TANF block grant stayed relatively constant during the five-year period. Even Start program expenditures declined significantly from \$18.6 million in fiscal year 2006 to \$5.8 million in fiscal year 2010, a decrease of 68.8 percent.

### **ADULT EDUCATION PROGRAM ENROLLMENT**

**Figure 29** shows the number of individuals enrolled in adult education programs from fiscal years 2006 to 2010. Although expenditures for WIA Title II programs increased by 6.0 percent, overall enrollment in the programs decreased by 15.1 percent during the five-year period. Expenditures for the TANF program stayed constant, however enrollment increased by 47.9 percent. Expenditures and enrollment decreased by more than 60 percent in the Even Start program during the five-year period.

### **ACCOUNTABILITY**

Providers receiving WIA Title II funding are required to report their program outcomes to TEA. Providers enter their data using the Texas Educating Adults Management System, an internet-based management information system. TEA and Texas LEARNS report all outcome measure data to the USDE through the National Reporting System, a secure federal database system. TEA also reports adult education outcome data to the Legislative Budget Board and TWIC.

**Figure 30** shows outcome performance measures for all adult education programs from fiscal years 2006 to 2010. The entered employment measure reflects the percent of adult education students who found jobs by the end of the first calendar quarter after exiting a program. The entered employment rate reached a high of 66.70 percent in fiscal year 2009, then decreased to 60.01 percent in fiscal year 2010. The retained employment measure indicates the

**FIGURE 28  
ADULT EDUCATION EXPENDITURES BY PROGRAM  
FISCAL YEARS 2006 TO 2010**

IN MILLIONS

|                                                                        | 2006          | 2007          | 2008          | 2009          | 2010          | FIVE-YEAR<br>PERCENT<br>CHANGE |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|
| <u>WIA Title II = ABE, ASE, ESL, English Literacy, and Corrections</u> |               |               |               |               |               |                                |
| Federal                                                                | \$46.6        | \$46.4        | \$46.5        | \$45.4        | \$49.8        | 6.8%                           |
| State                                                                  | 6.9           | 6.9           | 6.9           | 6.9           | 6.9           | 0%                             |
| <b>TOTAL</b>                                                           | <b>\$53.5</b> | <b>\$53.3</b> | <b>\$53.4</b> | <b>\$52.3</b> | <b>\$56.7</b> | <b>6.0%</b>                    |
| <u>TANF</u>                                                            |               |               |               |               |               |                                |
| Federal                                                                | \$3.8         | \$3.8         | \$3.8         | \$3.8         | \$3.8         | 0%                             |
| State                                                                  | 2.0           | 2.0           | 2.0           | 2.0           | 2.0           | 0%                             |
| <b>TOTAL</b>                                                           | <b>\$5.8</b>  | <b>\$5.8</b>  | <b>\$5.8</b>  | <b>\$5.8</b>  | <b>\$5.8</b>  | <b>0%</b>                      |
| <u>Even Start</u>                                                      |               |               |               |               |               |                                |
| Federal                                                                | \$18.6        | \$8.4         | \$6.8         | \$5.8         | \$5.8         | (68.8%)                        |
| <b>TOTAL</b>                                                           | <b>\$18.6</b> | <b>\$8.4</b>  | <b>\$6.8</b>  | <b>\$5.8</b>  | <b>\$5.8</b>  | <b>(68.8%)</b>                 |

NOTE: Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts.  
SOURCES: Legislative Budget Board; Texas Education Agency.

**FIGURE 29  
ADULT EDUCATION ENROLLMENT BY PROGRAM  
FISCAL YEARS 2006 TO 2010**

|                                                                        | 2006    | 2007    | 2008    | 2009   | 2010    | FIVE-YEAR<br>PERCENT<br>CHANGE |
|------------------------------------------------------------------------|---------|---------|---------|--------|---------|--------------------------------|
| <u>WIA Title II = ABE, ASE, ESL, English Literacy, and Corrections</u> |         |         |         |        |         |                                |
| Enrollment                                                             | 122,542 | 115,788 | 102,382 | 92,258 | 104,058 | (15.1)%                        |
| <u>TANF</u>                                                            |         |         |         |        |         |                                |
| Enrollment                                                             | 7,900   | 11,129  | 10,591  | 10,085 | 11,688  | 47.9%                          |
| <u>Even Start</u>                                                      |         |         |         |        |         |                                |
| Enrollment                                                             | 5,421   | 3,301   | 2,451   | 2,046  | 1,791   | (67.0)%                        |

SOURCES: Legislative Budget Board; Texas Education Agency.

**FIGURE 30  
ADULT EDUCATION PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                                       | 2006   | 2007   | 2008   | 2009   | 2010   |
|-----------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Percent of Program Participants Who Entered Employment                | 54.36% | 65.99% | 66.20% | 66.70% | 60.01% |
| Percent of Program Participants Who Retained Employment               | 55.17% | 68.54% | 68.16% | 67.82% | 65.57% |
| Percent of Program Participants Who Indicated High School Completion  | 87.94% | 85.13% | 88.57% | 88.97% | 78.16% |
| Percent of Program Participants Who Entered Post Secondary & Training | 28.57% | 23.43% | 31.34% | 44.66% | 37.84% |

SOURCES: Legislative Budget Board; Texas Education Agency.

percent of adult education students remaining employed in the third quarter after they exit a program. This measure decreased steadily from 68.54 percent in fiscal year 2007 to 65.57 percent in fiscal year 2010.

The high school completion measure reflects the percent of adult education students who obtained a high school diploma, state-recognized equivalent, or achieved a passing score on the GED tests. The completion rate increased to 88.97 percent in fiscal year 2009, then fell to 78.16 percent in fiscal year 2010. The entered postsecondary education or training measure indicates the percent of adult education students who enrolled in a postsecondary educational or occupational skills training program. This measure rose to 44.66 percent in fiscal year 2009, then decreased to 37.84 percent in fiscal year 2010.

## DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

The Department of Assistive and Rehabilitative Services (DARS) provides services for people with physical or mental disabilities, including persons who are blind or have significant visual impairments. DARS services enable these individuals to improve their skill levels to continue working or re-enter the workforce. These services are funded with a mix of state and federal funds, and serve both youth and adults.

The General Vocational Rehabilitation program helps people with disabilities prepare for, find, and keep jobs. It seeks to remove or mitigate impediments program customers face in their careers. DARS works with businesses to help the disabled obtain new employment opportunities or maintain existing employment. Qualified vocational rehabilitation counselors work in partnership with public schools to provide services that transition disabled students from school to work. They coordinate with other Texas Health and Human Services Commission (HHSC) programs and community partners to ensure that long term services and supports are in place so that customers maintain employment once vocational rehabilitation services are complete.

The Vocational Rehabilitation-Blind Services program helps individuals whose visual impairments limit their ability to begin or continue work. Program services include counseling and guidance, vocational assessments, and training in vocational and adaptive skills. A transition service facilitates the ability of individuals age 10 to 24 to shift from school to work.

## AGENCY AND PROGRAM INTER-RELATIONSHIPS

Vocational rehabilitation programs are funded by the U.S. Department of Education, Rehabilitation Services Administration (RSA). DARS works with multiple federal, state and local partners to provide individualized services to the disabled for the purpose of removing or mitigating impediments to employment. These partners include Local Workforce Development Board workforce solution centers, other HHSC agencies, public school districts, community colleges and universities, and the U.S. Veterans Administration.

## FUNDING ALLOCATIONS

RSA allocates vocational rehabilitation grants to states based on their population, weighted by their per capita income. States must provide a 21.3 percent match, and maintain spending at the expenditure level for the fiscal year two years earlier. Funds used for vocational rehabilitation services may be either contracted or provided directly by the agency.

**Figure 31** shows program expenditures for fiscal years 2006 to 2010. Expenditures for the general vocational rehabilitation program increased by 54.0 and 19.4 percent from federal and state sources, respectively, during the five-year period. A significant increase in federal funding caused total expenditures for the Blind Services program to be 34.4 percent higher in fiscal year 2010 than fiscal year 2006. This increase was due to the use of carry forward balances, higher grant funding, and ARRA funding.

## DARS CLIENT SERVICE LEVELS

**Figure 32** shows the number of clients served by the two DARS programs from fiscal years 2006 to 2010. The agency served a much higher number of clients in its general vocational program than in its program for blind and visually impaired individuals—89,259 compared to 10,042. Both programs experienced service fluctuations during the five-year period, although they ended with 3.0 percent and 4.9 percent more clients served than in fiscal year 2010 than fiscal year 2006 for the general rehabilitation and blind services programs, respectively.

## ACCOUNTABILITY

The U.S. Department of Education's Rehabilitation Services Administration (RSA) is responsible for federal oversight of both general rehabilitation services and services for the blind. RSA has established minimum levels of performance for these programs. State agencies that fail to meet these

**FIGURE 31**  
**DARS REHABILITATION PROGRAM EXPENDITURES**  
**FISCAL YEARS 2006 TO 2010**

IN MILLIONS

|                                                 | 2006           | 2007           | 2008           | 2009           | 2010           | FIVE-YEAR<br>PERCENT CHANGE |
|-------------------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|
| <u>Vocational Rehabilitation—General</u>        |                |                |                |                |                |                             |
| Federal                                         | \$132.2        | \$147.5        | \$160.8        | \$161.9        | \$203.6        | 54.0%                       |
| State                                           | 37.1           | 39.2           | 42.2           | 41.5           | 44.3           | 19.4%                       |
| Other                                           | 0.9            | 1.0            | 1.1            | 1.1            | 0.2            | (74.3%)                     |
| <b>TOTAL</b>                                    | <b>\$170.2</b> | <b>\$187.6</b> | <b>\$204.1</b> | <b>\$204.4</b> | <b>\$248.2</b> | <b>45.8%</b>                |
| <u>Vocational Rehabilitation—Blind Services</u> |                |                |                |                |                |                             |
| Federal                                         | \$33.5         | \$37.8         | \$37.9         | \$41.0         | \$45.5         | 35.9%                       |
| State                                           | 7.8            | 8.4            | 9.2            | \$10.0         | 10.1           | 29.5%                       |
| Other                                           | >0.0           | >0.0           | >0.0           | >0.0           | >0.0           | >0.0%                       |
| <b>TOTAL</b>                                    | <b>\$41.4</b>  | <b>\$46.2</b>  | <b>\$47.2</b>  | <b>\$51.0</b>  | <b>\$55.6</b>  | <b>34.4%</b>                |

NOTE: Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts. The > sign indicates amounts that are less than \$100,000.

SOURCES: Legislative Budget Board; Department of Assistive and Rehabilitative Services.

**FIGURE 32**  
**DARS CLIENTS SERVED BY PROGRAM**  
**FISCAL YEARS 2006 TO 2010**

|                                                         | 2006   | 2007   | 2008   | 2009   | 2010   | FIVE-YEAR<br>PERCENT CHANGE |
|---------------------------------------------------------|--------|--------|--------|--------|--------|-----------------------------|
| General Clients Served—Vocational Rehabilitation        | 86,650 | 82,916 | 84,433 | 85,998 | 89,259 | 3.0%                        |
| Blind Services Clients Served—Vocational Rehabilitation | 9,577  | 9,630  | 9,688  | 10,144 | 10,042 | 4.9%                        |

SOURCES: Legislative Budget Board; Department of Assistive and Rehabilitative Services.

performance levels must develop a Program Improvement Plan outlining specific actions to improve their performance.

Figure 33 shows the percent of clients served by each program who entered employment for fiscal years 2006 to 2010. The measure reflects the percent of clients who retained employment for at least 90 days after being placed in a job and exiting the program. The percent of clients entering employment through the general rehabilitation program stayed relatively constant during the five-year period, at approximately 57 percent. The percent of clients in the blind rehabilitation program who entered employment declined during the five-year period, ending at 67.68 percent in fiscal year 2010.

**TEXAS VETERANS COMMISSION**

The Texas Veterans Commission (TVC) provides a range of employment services to veterans through staff located in

local workforce development board workforce solution centers and U.S. Department of Veterans Affairs (VA) facilities. TVC services include job matching and referrals, resume preparation, employer outreach, job search workshops, vocational guidance, and one-on-one intensive services. Agency services are available to all veterans who have served on active duty, other than those subject to dishonorable discharge.

The agency oversees training institutions which administer approved training for veterans. This oversight ensures that public and private entities offering education and training to veterans receiving GI Bill benefits meet and maintain program requirements. TVC also informs veterans regarding new training programs, changes to GI Bill benefits, the Hazlewood Act, and provides guidance on how to obtain federal education benefits. These services are available to all veterans other than those subject to dishonorable discharge.

**FIGURE 33  
DARS PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                  | 2006   | 2007   | 2008   | 2009   | 2010   |
|--------------------------------------------------|--------|--------|--------|--------|--------|
| <b>Percent of Clients Who Entered Employment</b> |        |        |        |        |        |
| Vocational Rehabilitation General                | 56.66% | 56.86% | 58.03% | 56.91% | 56.91% |
| Vocational Rehabilitation Blind Services         | 71.09% | 71.90% | 69.60% | 70.16% | 67.68% |

SOURCES: Legislative Budget Board; Department of Assistive and Rehabilitative Services.

**VETERANS EMPLOYMENT SERVICES**

The Veterans Employment Services (VES) program provides veterans career-related services from program specialists located in the workforce solution centers administered by local workforce development boards. These programs specialists, referred to as Veterans Employment Representatives, coordinate with state agency and non-profit service providers that are co-located in the centers. The agency’s programs specialists assist veterans with job applications, resume preparation, job matching, job searches, and other employment services. The goal of these services is to match veteran job seekers with employment opportunities; and employers that have job openings with veterans.

Specific services offered by the VES program include:

- Disabled Veteran Outreach Program: Provides intensive services to disabled veterans and/or veterans with significant barriers to employment. The program also assist all veterans with employment and training needs.
- Local Veterans’ Employment Representative: Provides job search information and employer outreach while focusing on recently-separated veterans. They also assist all veterans with employment and training needs.
- Transition Assistance Program: Helps active duty veterans and their families transition to civilian life.
- Vocational Rehabilitation and Employment program: Offers disabled veterans the opportunity to use educational benefits to pay for additional education or training in order to assist in their career opportunities.
- Recovery & Employment Assistance Lifelines program: Helps severely injured service members return to fulfilling, productive civilian life using a network of service providers.

- Family Employment Assistance Counselors: Provides employment services to spouses and caregivers of active duty service members.

**VETERANS EDUCATION**

As the State Approving Agency for Texas, the Texas Veterans Commission is under contract with the VA to approve organizations as veterans education and training providers for veterans training. Through an approval process, TVC ensures that institutions and employers are in compliance with federal guidelines and are qualified to provide the type of training offered. TVC continues to monitor approved programs by conducting annual on-site visits to training facilities. TVC also approves in-state licensing and certification organizations so that veterans may be reimbursed for the cost of licensing and certification examinations.

**AGENCY AND PROGRAM INTER-RELATIONSHIPS**

As indicated above, the TVC provides training services primarily through local workforce solution centers and federal facilities.

The agency participates in outreach events for employers such as job fairs and community events. TVC works with employers to recruit qualified veterans for specific jobs, and create new career opportunities for them.

**FUNDING ALLOCATIONS**

Funding for Veterans Employment Services program comes from a federal grant administered by the U.S. Department of Labor, Veterans’ Employment and Training Services. The federal funding allocation is based on each state’s unemployment rate and its share of veterans nationwide. Allocations for the Veterans Education program are based on the number of VA facilities that serve veterans receiving education benefits. Also, both programs receive appropriations of General Revenue Funds.

**Figure 34** shows expenditures by program for fiscal years 2006 to 2010. Expenditures for the Veterans Employment Services program rose gradually during the five-year period. Expenditures for the Veterans Education program grew significantly due to an increase of state appropriations and an 11.2 percent increase in federal funding, with the result that the fiscal year 2010 amount was 45.1 percent higher than fiscal year 2006.

**TVC PROGRAM SERVICE LEVELS**

**Figure 35** shows each program’s service levels from fiscal years 2006 to 2010. Although the Veterans Education program experienced small service level changes, the number of participants in the Veterans Employment Services program decreased significantly during the last three years, such that 17.2 percent fewer veterans participated in the program in fiscal year 2010 than in fiscal year 2006.

**ACCOUNTABILITY**

The U.S. Department of Labor (DOL) oversees the Veterans Employment Services (VES) program. DOL staff monitors the program through performance measures reporting and desk audits. VES performance measure targets are negotiated annually between the agency and DOL. The agency submits performance measure data to DOL on a quarterly basis. The U.S. Department of Veterans Affairs oversees the Veterans Education program.

**Figure 36** shows performance outcomes for the Veterans Employment Services Program for fiscal years 2006 to 2010. The percent of clients who are employed within one calendar quarter of exiting the programs fluctuated during the five-year period then declined to 58 percent in fiscal year 2010. The percent of veterans who retained employment for six months after exiting the program showed a slightly lower decrease, ending at 83.0 percent in fiscal year 2010.

**FIGURE 34  
TVC PROGRAM EXPENDITURES BY FUNDING SOURCE  
FISCAL YEARS 2006 TO 2010**

|                                     | 2006               | 2007               | 2008               | 2009               | 2010               | FIVE-YEAR<br>PERCENT CHANGE |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|
| <u>Veterans Employment Services</u> |                    |                    |                    |                    |                    |                             |
| Federal                             | \$8,935,927        | \$9,077,016        | \$8,881,493        | \$9,154,320        | \$9,312,385        | 4.2%                        |
| State                               | 0                  | 0                  | 0                  | 0                  | 105,089            | NA                          |
| <b>TOTAL</b>                        | <b>\$8,935,927</b> | <b>\$9,077,016</b> | <b>\$8,881,493</b> | <b>\$9,154,320</b> | <b>\$9,417,474</b> | <b>5.4%</b>                 |
| <u>Veterans Education Services</u>  |                    |                    |                    |                    |                    |                             |
| Federal                             | \$731,989          | \$724,564          | \$720,550          | \$774,737          | \$813,902          | 11.2%                       |
| State                               | 5,873              | 70,037             | 77,130             | 77,130             | 256,436            | N/A                         |
| <b>TOTAL</b>                        | <b>\$737,862</b>   | <b>\$794,601</b>   | <b>\$797,680</b>   | <b>\$851,867</b>   | <b>\$1,070,338</b> | <b>45.1%</b>                |

NOTES: Veterans Employment was transferred from TWC to TVC on 4/1/06. Veterans Education was transferred from TWC to TVC on 10/1/06.  
SOURCES: Legislative Budget Board; Texas Veterans Commission.

**FIGURE 35  
TVC PROGRAM SERVICE LEVELS  
FISCAL YEARS 2006 TO 2010**

|                                                                         | 2006   | 2007   | 2008    | 2009   | 2010   | FIVE-YEAR<br>PERCENT CHANGE |
|-------------------------------------------------------------------------|--------|--------|---------|--------|--------|-----------------------------|
| <u>Veterans Employment Services</u>                                     |        |        |         |        |        |                             |
| Number of Veterans Served                                               | 94,814 | 97,347 | 103,652 | 92,397 | 78,500 | (17.2%)                     |
| <u>Veterans Education</u>                                               |        |        |         |        |        |                             |
| Average Number of Participants in Veterans Education & Training Program | 24,878 | 24,395 | 24,841  | 24,112 | 25,000 | 0.5%                        |

SOURCES: Legislative Budget Board; Texas Veterans Commission.

**FIGURE 36**  
**TVC VETERANS EMPLOYMENT SERVICES PERFORMANCE OUTCOMES**  
**FISCAL YEARS 2006 TO 2010**

|                                                         | 2006  | 2007  | 2008  | 2009  | 2010  |
|---------------------------------------------------------|-------|-------|-------|-------|-------|
| Percent of Program Participants Who Entered Employment  | 67.3% | 66.4% | 67.7% | 66.9% | 58.0% |
| Percent of Program Participants Who Retained Employment | 83.2% | 84.2% | 84.1% | 86.6% | 83.0% |

SOURCES: Legislative Budget Board; Texas Veterans Commission.

**TEXAS WORKFORCE COMMISSION**

The Texas Workforce Commission (TWC) administers workforce training programs serving both employers and workers. The agency administers the financial, programmatic, and accountability functions associated with two major federal funding sources—the Workforce Investment Act (WIA) and the Wagner-Peyser Act. WIA authorizes funding for several workforce development and training programs. The Wagner-Peyser Act provides funding for general employment services. To ensure an efficient delivery of workforce development services, TWC partners with 28 local workforce development boards (LWDBs) and their 250 workforce solution centers and satellite centers.

**LOCAL WORKFORCE DEVELOPMENT BOARDS**

The LWDBs are responsible for meeting the needs of employers and job seekers using an array of resources and programs. These programs include the WIA Adult, Dislocated Workers, and Youth programs; the Temporary Assistance of Needy Families (TANF) Choices employment and training; the Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) program; the Project Reintegration of Offenders (Project RIO); the Wagner-Peyser Employment Services (ES) program, the Senior Community Service Employment Program (SCSEP), and the Trade Adjustment Act Services (TAA) program. All 28 LWDBs administer and contract with local providers for direct customer services.

**TWC PROGRAMS**

The WIA Adult Services program serves employers and adult job-seekers. Program services include job search assistance, introduction to job search tools, labor market information, computer access, résumé writing courses, financial planning, and referral to vocational skills training. The program also includes support services such as child care, transportation, and work-related expenses that are provided in order for customers to participate in a WIA-funded activity.

The WIA Dislocated Workers program serves job-seekers categorized as dislocated workers because they were laid off during a plant closure or similar event, or are displaced homemakers. Program services include job search assistance, introduction to job search tools, labor market information, computer access, résumé writing courses, financial planning, stress management, and referral to vocational skills training. Support services such as child care, transportation, and work-related expenses are available as well when needed by a dislocated worker to participate in a WIA-funded activity.

WIA National Emergency Grants (NEGs) temporarily expand the service capacity of Workforce Investment Act Dislocated Worker training and employment programs at the state and local levels in response to large, unexpected economic events which cause significant job losses. NEGs provide funding for training programs that upgrade the skills of laid-off workers. Local workforce development boards help coordinate these training programs.

The WIA Youth Services program provides year-round employment and training services for economically disadvantaged youth (ages 14 to 21) who establish and work toward educational and career goals. The program provides youth with an objective assessment, including a review of academic and occupational skill levels and service needs; an individual service strategy, including an age appropriate career goal; preparation for postsecondary educational opportunities; and activities connecting academic and occupational learning.

The TANF Choices program provides current and former recipients of, and applicants for, TANF with services necessary to become self sufficient while also meeting the needs of local employers. This program serves very low income parents with children under 19 years of age. Services include job search and job readiness classes, basic skills training, education and vocational training, and support services. Support services such as child care, transportation, and work-related expenses are available to customers who need such services to participate in the program.

The Wagner-Peyser Act Employment Services (ES) program provides comprehensive services to all businesses and job seekers to improve the functioning of the workforce by bringing together employers seeking workers and individuals seeking employment. ES staff in local workforce solution centers administered by LWDBs provide an array of services to businesses, including:

- job listing and referral of qualified job seekers;
- labor market information;
- referral to other agencies and entities that oversee business;
- employment-related regulations;
- interview facilities;
- job fairs;
- resource rooms; and
- information on a variety of topics, including potential funding sources for worker training, tax credits, and alien labor certification.

Job seekers receive a variety of services including referral to job openings, assessment, employment counseling, labor market information, and seminars on topics such as resume writing, interviewing skills, and job hunting techniques. The website [WorkInTexas.com](http://WorkInTexas.com) helps employers and job seekers connect electronically. Employers and job seekers can register for work online, browse for jobs or job seekers, and request matches against job postings and job seeker registrations.

The Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) program helps food stamp recipients obtain employment through education and training activities that will promote long-term self-sufficiency. The key components of the program are job search and job readiness activities, work experience, non-vocational and vocational education/training. The program also provides participants with support services such as child care and transportation.

The Trade Adjustment Assistance Act (TAA) authorizes reemployment services to individuals who lose their jobs because of foreign imports or shifts in production to foreign countries. Workers affected by a lay-off that the U.S. Department of Labor determines is trade-certified may receive training for an alternate occupation if there is no suitable work available for them. The TAA program authorizes funding for the required costs of occupational

training including remedial education, English as a Second Language and prerequisite training, if necessary. The length of training may be up to three years, and weekly support payments are made for a set period while the trade-affected worker is in training and after exhaustion of unemployment insurance benefits.

The Senior Community Service Employment Program (SCSEP) provides training and employment services to eligible low-income job seekers age 55 and older. Participants gain competitive job skills through paid part-time, on-the-job training in non-profit organizations and governmental entities such as school districts, cities, counties, and state and federal agencies. Participants earn while they learn new skills and provide valuable community services. SCSEP also helps program participants find and secure unsubsidized employment with public or private entities.

The Apprenticeship Training program combines on-the-job training under the supervision of experienced journey workers with related classroom instruction. Most registered apprenticeship training programs last from three to five years as determined by industry standards. All apprenticeship training programs and apprentices must be registered with the U.S. Department of Labor's Office of Apprenticeship. Apprentices are full-time paid employees who earn while they learn.

The Self Sufficiency Fund assists businesses by designing, financing and implementing customized job training programs. In this program, employers partner with community and technical colleges, a higher education extension service, and/or community-based organizations for the creation of new jobs and/or the retraining of an existing workforce. The Self-Sufficiency Fund's goal is to assist recipients of TANF, SNAP, or a parent (including a noncustodial parent) whose annual wages are at or below \$37,000 to obtain training, find employment, and become independent of government financial assistance.

Project Reintegration of Offenders (Project RIO)—Adults provides a connection between career training during incarceration and employment after release. The program is administered by the Texas Department of Criminal Justice during an offender's pre-release stage, and by community-based organizations such as local workforce development boards during the post-release stage. Project RIO provides services such as the preparation of an Individual Employment Plan for each offender, educational assessment, academic education and occupational training programs, life and

cognitive skills training, job assignment referrals and placement recommendations.

Project RIO–Youth is a joint partnership of the Texas Youth Commission (TYC) and TWC. Administered by TYC, the program helps prepare youth for vocational training and education as well as employment. Students who participate in Project RIO–Youth receive continued workforce development assistance on parole.

The Skills Development Fund (SDF) facilitates a worker's acquisition of new skills, or efforts to enhance existing skills, to advance their careers. SDF is a collaborative effort between businesses, community and technical colleges, LWDBs and community-based economic development entities. A single business, consortium of businesses, or trade union works with a community or technical college or with the Texas Engineering Extension Service (TEEX) to develop customized training for its workforce to close existing skills gaps. TWC awards SDF grants to these partnerships, and community or technical colleges administer the grant. SDF grants cover tuition, curriculum development, instructor fees, and training materials during the training program.

#### **AGENCY AND PROGRAM INTER-RELATIONSHIPS**

TWC customers seeking assistance through the 28 LWDBs are often enrolled in and receive services from multiple programs. Employment Service (ES) customers include individuals receiving services through the WIA, TAA, SNAP E&T, and TANF Choices programs. For ES customers, one of the most common relationships is the provision of training and support services through WIA, TAA, and other programs. Likewise, individuals in other programs may need basic ES labor exchange services, such as job search assistance and labor market information, to find employment.

TWC collaborates with the following state agencies to deliver its programs:

- Texas Education Agency (TEA), and the Texas Higher Education Coordinating Board (THECB)—TWC collaborates with TEA and THECB on strategic planning for education and training to meet state workforce needs. TWC provides these agencies with labor market and career information to assist with developing their career and technical education programs.
- Texas State Technical College (TSTC), Texas Engineering Extension Service (TEEX), and all 50 Texas Community College Districts—Through

the Skills Development Fund program, TWC collaborates with community and technical colleges and TEEX to support job-training programs jointly provided by these institutions and employers who need to find skilled workers or upgrade the skills of their current workforce.

- Texas Office of the Attorney General (OAG)—TWC collaborates with OAG to coordinate the use of information from the agency's new hire database, including cross-matching information on unemployment claimants to reduce overpayment of benefits, recover past overpayments, or facilitate the payment of child support. TWC also works with the OAG to provide job-placement assistance for noncustodial parents that enables them to pay child support.
- Texas Department of Criminal Justice (TDCJ) and Texas Youth Commission (TYC)—TWC partners with these agencies to serve individuals released from incarceration by providing them re-employment services and helping the offender obtain important documents for employment. TWC's Project RIO focuses on efforts to end recidivism by ex-offenders by providing a link to education, training, and employment pre- and post- release.
- Texas Veterans Commission (TVC)—Through its Texas Veterans Leadership Program, TWC staff work in collaboration with TVC staff to assist veterans returning from Iraq and Afghanistan. The agencies help direct returning veterans to resources that will facilitate their transition to the civilian workforce and provide training and employment assistance.
- Texas Workforce Investment Council (TWIC)—TWC serves as a member of the Council and assists in development of statewide workforce development strategies and goals. It also participates in TWIC activities that coordinate the delivery of workforce development program services, and evaluate their effectiveness.
- Texas Health and Human Service Commission (HHSC)—TWC works with HHSC to provide employment and training services through their TANF program and Supplemental Nutrition Assistance Program (SNAP). HHSC determines eligibility for SNAP benefits and whether individuals are mandatory work registrants that must participate

in SNAP E&T. HHSC also determines eligibility for TANF and the individual's employment services program status. TWC administers the employment and training component for both programs. The two agencies' automation systems are linked to exchange information on their shared customers.

Seven TWC programs are under the oversight of three federal agencies: the U.S. Department of Labor, the U.S. Department of Health and Human Services, and the U.S. Department of Agriculture. These agencies provide a major portion of the funding for TWC workforce development programs, oversee its compliance with federal laws and rules, and hold the agency accountable for meeting established performance targets for these programs.

### FUNDING ALLOCATIONS

**Figure 37** shows the basis for determining federal and state funding allocations for each TWC program. Allocations from the federal government to TWC are governed by federal law and rules, while allocations from TWC to local workforce development areas are dictated by TWC administrative rules. **Figure 37** shows the methodology that the federal government uses to allocate funding to the states; federal requirements on how money must be allocated between state agency administration and local workforce development areas; and how TWC allocates funding to local workforce development areas.

Several TWC programs allocate funding to other entities besides local workforce development boards. State grants from the Department of Labor for the Senior Community Services Employment Program (SCSEP) are awarded based on customer slots for each state. TWC contracts with a non-profit organization, Experience Works, for service delivery. Experience Works then partners with local workforce development boards for employment and other services to older workers. The Self-Sufficiency Fund (SSF) program receives federal funding from the state's TANF grant. TWC's awards SSF grants to community or technical colleges, community-based organizations, or the Texas Engineering Extension Service based on an agency evaluation of their funding proposals.

Under the Apprenticeship program, which is primarily state funded, TWC allocates money to independent school districts and community colleges that contract with training providers. These providers, which include labor unions, train eligible youth.

As noted previously, TWC awards Skills Development Fund grants to community/technical college-employer partnerships based on its assessment of their grant proposals. SDF grants flow directly to community and technical colleges, which act as the fiscal agent during the training project.

**Figure 38** shows TWC program expenditures by funding source for fiscal years 2006 to 2010. Expenditures for five programs in which federal grants are the most significant funding source decreased by more than 15 percent during the five-year period: WIA-Adult, WIA-Dislocated Worker, WIA-Youth, SNAP E & T, and the Self-Sufficiency Fund. This was due to federal funding rescissions, as well as Texas' unemployment and economic conditions relative to other states that were affected more strongly by the recession. Without the infusion of funding provided by the American Reinvestment and Recovery Act (ARRA), expenditures for these programs would have declined much more in fiscal years 2009 and 2010.

Combined state and federal funding increased significantly for seven programs: TANF Choices, Employment Services (ES), Trade Adjustment Act, Senior Community Services Employment, Apprenticeship, Project RIO, and Skills Development Fund. ARRA funding caused a significant expenditure increase for the ES program in fiscal year 2010—\$114.4 million in ARRA funding compared to \$38.8 million expended from conventional federal funding for ES. Also, the WIA National Emergency Grant provided significant funding in fiscal year 2006, \$92.9 million, to address the economic impact of the hurricanes on Texas; in later years funding from this source virtually disappeared because there were no events to trigger large grants.

Skills Development Fund (SDF) expenditures from state appropriations increased significantly during the five-year period. TWC expended \$34.0 million in state funding on the SDF in fiscal year 2010 compared to \$15.1 million in fiscal year 2006, a 125.2 percent increase. Including fiscal year 2010 ARRA funding, the increase was 191.4 percent.

### TWC CUSTOMER SERVICE LEVELS

**Figure 39** shows customer service levels for TWC programs from fiscal years 2006 to 2010. Service levels for four programs decreased by more than 20 percent during the five-year period, and in all but one case these were the same programs that experienced funding reductions. These are the WIA-Adult, WIA-Youth, TANF Choices, and the Self-Sufficiency Fund programs.

**FIGURE 37**  
**ALLOCATION BASIS FOR TWC PROGRAMS FEDERAL TO STATE ALLOCATIONS AND STATE TO LOCAL WORKFORCE DEVELOPMENT BOARD AREA ALLOCATIONS**  
**FISCAL YEAR 2010**

|                            | <b>FEDERAL GOVERNMENT TO STATE WORKFORCE AGENCY ALLOCATIONS</b>                                                                                                                                                                                                 | <b>TWC TO LOCAL WORKFORCE DEVELOPMENT AREA (LWDA) ALLOCATIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WIA–Adult                  | Equally apportioned based on the state's share of disadvantaged adults nationwide; its share of unemployed individuals in designated areas of substantial unemployment; and its share of unemployed individuals in excess of a specific unemployment threshold. | Under federal law, TWC can retain 20 percent for program administration and statewide activities. For fiscal year 2011, TWC allocated 5 percent for program administration, 10 percent for statewide activities, 85 percent for LWDAs.<br><br>TWC Allocations to LWDAs: Equally apportioned based on the area's share of disadvantaged adults statewide; its share of unemployed individuals in designated areas of substantial unemployment; and its share of unemployed individuals over a specific labor force threshold.                                                                                                                                                                                                                                                                                                      |
| WIA–Dislocated Worker      | Equally apportioned based on the state's share of unemployed individuals nationwide; its share of long-term unemployed individuals; and its share of unemployed individuals in excess of a specific unemployment threshold.                                     | Under federal law, TWC can retain 20 percent for program administration and statewide activities. For fiscal year 2011, TWC allocated 5 percent for administration, 15 percent for statewide activities, 80 percent for LWDAs.<br><br>TWC Allocations to LWDAs: 20 percent based on the area's share of unemployed individuals covered by unemployment insurance statewide; 19.67 percent on average number of unemployed individuals; 19.67 percent based the number of workers included on Worker Adjustment Retraining Notification Act (WARN) notices for the area; 20 percent on the area's two-year trend for declining industries; 19.67 percent on the number of farm and ranch employees not covered by unemployment insurance; 0.99 percent on the number of individuals who have been unemployed for 15 weeks or more. |
| WIA–Youth                  | Equally apportioned based on the state's share of disadvantaged youth nationwide, its share of unemployed individuals in designated areas of substantial unemployment; and its share of unemployed individuals in excess of a specific unemployment threshold.  | Under federal law, TWC can retain 20 percent for program administration and statewide activities. For fiscal year 2011, TWC allocated 5 percent for program administration, 10 percent for statewide activities, 85 percent for LWDAs.<br><br>TWC Allocations to LWDAs: Equally apportioned based on the area's share of disadvantaged youth statewide; its share of unemployed individuals in designated areas of substantial unemployment; and on its share of unemployed individuals over a specific labor force threshold.                                                                                                                                                                                                                                                                                                    |
| Trade Adjustment Act       | Based on the Secretary of Labor's certification of petitions from state citizens related to workers who have been adversely affected by foreign trade.                                                                                                          | TWC provides funding to Local Workforce Development Boards to serve individuals eligible for TAA training.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Employment Services        | Two-thirds based on the state's share of the civilian labor force nationwide; one-third based on the state's share of the number of unemployed adults.                                                                                                          | No federal restrictions on state or local allocations exist.<br><br>TWC Allocations to LWDAs: Two-thirds based on the area's share of the civilian labor force statewide; one-third based on the area's share of the number of unemployed adults statewide.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SNAP Employment & Training | 90 percent based on the state's share of SNAP work registrants nationwide; 10 percent based on its share of non-exempt able-bodied adults without dependents receiving SNAP benefits.                                                                           | No federal restrictions on state or local allocations exist.<br><br>TWC Allocations to LWDAs: Based on the areas share of mandatory work registrants receiving Supplemental Nutrition Assistance benefits statewide.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| TANF Choices               | Funding for the TANF Choices program comes from a direct TWC appropriation.                                                                                                                                                                                     | Based on the area's share of families receiving TANF benefits who have mandatory work requirements statewide.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Project RIO                | Not Applicable                                                                                                                                                                                                                                                  | Based on the area's share of the TDCJ parolee population statewide.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

SOURCES: Legislative Budget Board; Texas Workforce Commission.

**FIGURE 38**  
**TWC PROGRAM EXPENDITURES BY FUNDING SOURCE**  
**FISCAL YEARS 2006 TO 2010**

| IN MILLIONS                                           |               |               |               |                |                |                          |
|-------------------------------------------------------|---------------|---------------|---------------|----------------|----------------|--------------------------|
| SOURCE                                                | 2006          | 2007          | 2008          | 2009           | 2010           | FIVE-YEAR PERCENT CHANGE |
| <u>Workforce Investment Act–Adult</u>                 |               |               |               |                |                |                          |
| Federal–WIA                                           | \$93.2        | \$99.2        | \$88.7        | \$65.8         | 65.7           | (29.5)%                  |
| Federal–ARRA                                          | -             | -             | -             | 29.5           | 11.2           | NA                       |
| State                                                 | 0.1           | 0.4           | 0.1           | -              | -              | NA                       |
| <b>TOTAL, WIA ADULT</b>                               | <b>\$93.3</b> | <b>\$99.6</b> | <b>\$88.8</b> | <b>\$95.3</b>  | <b>\$76.9</b>  | <b>(17.6)%</b>           |
| <u>Workforce Investment Act–Dislocated Worker</u>     |               |               |               |                |                |                          |
| Federal–WIA                                           | \$78.2        | \$78.5        | \$78.2        | \$83.5         | \$62.0         | (20.7)%                  |
| Federal–ARRA                                          | -             | -             | -             | 45.6           | 4.7            | NA                       |
| <b>TOTAL, WIA DISLOCATED WORKER</b>                   | <b>\$78.2</b> | <b>\$78.5</b> | <b>\$78.2</b> | <b>\$129.1</b> | <b>\$66.7</b>  | <b>(14.7)%</b>           |
| <u>WIA–National Emergency Grant</u>                   |               |               |               |                |                |                          |
| Federal–WIA                                           | \$92.9        | \$0.2         | \$0.1         | -              | \$0.0          | NA                       |
| <u>Workforce Investment Act–Youth</u>                 |               |               |               |                |                |                          |
| Federal–WIA                                           | 67.9          | 68.1          | 60.2          | 54.2           | 54.2           | (20.1)%                  |
| Federal–ARRA                                          | -             | -             | -             | 69.7           | -              | NA                       |
| <b>TOTAL–WIA YOUTH</b>                                | <b>\$67.9</b> | <b>\$68.1</b> | <b>\$60.2</b> | <b>\$123.9</b> | <b>\$54.2</b>  | <b>(20.1)%</b>           |
| <u>TANF Choices</u>                                   |               |               |               |                |                |                          |
| Federal                                               | \$76.7        | \$89.4        | \$84.9        | \$85.2         | \$98.3         | 28.2%                    |
| State                                                 | 4.9           | 5.7           | 6.4           | 6.0            | 8.2            | 66.6%                    |
| <b>TOTAL, TANF CHOICES</b>                            | <b>\$81.6</b> | <b>\$95.0</b> | <b>\$91.3</b> | <b>\$91.2</b>  | <b>\$106.5</b> | <b>30.5%</b>             |
| <u>Employment Services</u>                            |               |               |               |                |                |                          |
| Federal                                               | \$38.1        | \$36.1        | \$37.5        | \$36.5         | \$38.8         | 1.9%                     |
| Federal–ARRA                                          | -             | -             | -             | 7.4            | 114.4          | NA                       |
| State                                                 | 3.4           | 2.8           | 2.9           | 2.4            | 15.2           | 347.1%                   |
| <b>TOTAL, EMPLOYMENT SERVICES</b>                     | <b>\$41.4</b> | <b>\$38.9</b> | <b>\$40.4</b> | <b>\$46.3</b>  | <b>\$168.4</b> | <b>306.8%</b>            |
| <u>Supplemental Nutrition Employment and Training</u> |               |               |               |                |                |                          |
| Federal                                               | \$21.0        | \$15.4        | \$14.6        | \$13.1         | \$16.2         | (22.8)%                  |
| State                                                 | 3.5           | 3.9           | 3.8           | 3.9            | 4.2            | 20.0%                    |
| <b>TOTAL, SNAP E&amp;T</b>                            | <b>\$24.4</b> | <b>\$19.3</b> | <b>\$18.4</b> | <b>\$17.0</b>  | <b>\$20.4</b>  | <b>(16.5)%</b>           |
| <u>Trade Adjustment Act Services</u>                  |               |               |               |                |                |                          |
| Federal                                               | \$10.7        | \$9.1         | \$7.6         | \$11.0         | \$17.6         | 64.5%                    |
| <u>Senior Community Service Employment Program</u>    |               |               |               |                |                |                          |
| Federal–SCSEEP                                        | \$4.6         | \$5.4         | \$5.8         | \$6.3          | \$9.3          | 102.2%                   |
| Federal–ARRA                                          | -             | -             | -             | 1.3            | -              | -                        |
| <b>TOTAL, SCSEEP</b>                                  | <b>4.6</b>    | <b>5.4</b>    | <b>5.8</b>    | <b>7.6</b>     | <b>9.3</b>     | <b>102.2%</b>            |
| <u>Apprenticeship Program</u>                         |               |               |               |                |                |                          |
| Federal                                               | \$0.0         | \$0.1         | \$0.1         | \$0.5          | \$1.1          | 0.0%                     |
| State                                                 | 1.7           | 1.6           | 1.6           | 1.7            | 1.7            | 3.0%                     |
| <b>TOTAL, APPRENTICESHIP</b>                          | <b>\$1.7</b>  | <b>\$1.8</b>  | <b>\$1.8</b>  | <b>\$2.1</b>   | <b>\$2.8</b>   | <b>64.7%</b>             |

**FIGURE 38 (CONTINUED)**  
**TWC PROGRAM EXPENDITURES BY FUNDING SOURCE**  
**FISCAL YEARS 2006 TO 2010**

| IN MILLIONS                           |               |               |               |               |               | FIVE-YEAR      |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| SOURCE                                | 2006          | 2007          | 2008          | 2009          | 2010          | PERCENT CHANGE |
| <u>Self-Sufficiency Fund</u>          |               |               |               |               |               |                |
| Federal                               | \$4.8         | \$3.7         | \$1.4         | \$1.4         | \$1.2         | (75.0)%        |
| <u>Project RIO</u>                    |               |               |               |               |               |                |
| Federal                               | \$0.4         | \$0.4         | \$0.4         | \$0.4         | \$0.4         | 0.0%           |
| State                                 | 7.2           | 7.4           | 8.9           | 9.1           | 10.2          | 41.7%          |
| <b>TOTAL, PROJECT RIO</b>             | <b>\$7.6</b>  | <b>\$7.8</b>  | <b>\$9.4</b>  | <b>\$9.5</b>  | <b>\$10.6</b> | <b>39.6%</b>   |
| <u>Skills Development Fund</u>        |               |               |               |               |               |                |
| Federal-ARRA                          | -             | -             | -             | -             | \$10.0        | NA             |
| State                                 | \$15.1        | \$25.0        | \$24.1        | \$24.6        | \$34.0        | 125.2%         |
| <b>TOTAL, SKILLS DEVELOPMENT FUND</b> | <b>\$15.1</b> | <b>\$25.0</b> | <b>\$24.1</b> | <b>\$24.6</b> | <b>\$44.0</b> | <b>191.4%</b>  |

NOTES: Expenditures in the State line item include interagency contract amounts. Fiscal year 2010 amounts are estimated. Dollar figures shown above may not sum exactly due to rounding, which also affects percent change amounts.  
 SOURCES: Legislative Budget Board; Texas Workforce Commission.

**FIGURE 39**  
**TWC CUSTOMERS SERVED BY PROGRAM**  
**FISCAL YEARS 2006 TO 2010**

| PROGRAM                                     | 2006             | 2007             | 2008             | 2009             | 2010             | FIVE-YEAR<br>PERCENT<br>CHANGE |
|---------------------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------------------|
| WIA Adult                                   | 44,791           | 48,509           | 37,104           | 31,195           | 33,297           | (25.7%)                        |
| WIA Dislocated Worker                       | 15,445           | 13,627           | 12,114           | 16,977           | 20,008           | 29.5%                          |
| WIA Youth                                   | 23,704           | 20,029           | 16,081           | 32,834           | 18,399           | (22.4%)                        |
| Employment Services                         | 1,552,307        | 1,435,363        | 1,416,393        | 1,794,548        | 1,826,337        | 17.7%                          |
| Trade Adjustment Act                        | 6,821            | 4,164            | 3,549            | 6,477            | 6,699            | (1.8%)                         |
| Senior Community Service Employment Program | 1,141            | 1,254            | 1,332            | 1,504            | 1,731            | 51.7%                          |
| TANF Choices                                | 68,823           | 58,868           | 49,774           | 43,036           | 48,733           | (29.2%)                        |
| Apprenticeship                              | 3,483            | 3,511            | 3,889            | 4,080            | 4,146            | 19.0%                          |
| SNAP E&T                                    | 39,588           | 45,024           | 31,602           | 27,473           | 38,544           | (2.6%)                         |
| Self-Sufficiency Fund                       | 5,056            | 2,565            | 2,843            | 1,639            | 1,078            | (78.7%)                        |
| Project RIO                                 | 38,914           | 37,439           | 39,874           | 51,087           | 54,323           | 39.6%                          |
| Skills Development Fund                     | 19,354           | 24,872           | 24,256           | 28,851           | 35,603           | 84.0%                          |
| <b>TOTAL JOB SEEKERS</b>                    | <b>1,634,631</b> | <b>1,508,533</b> | <b>1,478,401</b> | <b>1,870,381</b> | <b>1,917,478</b> | <b>17.3%</b>                   |

NOTES: Total Job Seekers does not reflect the sum of each program's customers served because they may participate in more than one program. The total reflects an unduplicated count of all job seeks served by TWC workforce development programs. Project RIO service levels reflect both the adult and youth components of the program.  
 SOURCES: Legislative Budget Board; Texas Workforce Commission.

The exception was the TANF Choices program, in which the number of customers served decreased by approximately 30 percent, compared to approximately the same percent increase in expenditures during the five-year period. According to TWC, this occurred because the agency provided more intensive services to new and existing customers; while program costs associated with services such as transportation, and federal administrative requirements, rose dramatically beginning in fiscal year 2006. Customer service levels increased by 20 percent in four programs—WIA Dislocated Worker, SCSEP, Project Rio, and the Skills Development Fund (SDF). The largest increase was seen in the SDF, an 84.0 percent increase in fiscal year 2010 compared to fiscal year 2006.

**ACCOUNTABILITY**

TWC is accountable for its workforce program results to the Texas Workforce Investment Council (TWIC), as are several other agencies that constitute the state’s workforce development system. TWC and other agencies represented on the Council developed performance measure targets that were approved by the Governor in October 2003. Definitions and methodologies for calculating performance measure data were determined by the Council during the 2004 strategic planning process, in consultation with the Office of the Governor and the Legislative Budget Board.

TWIC is required by the Texas Government Code, Chapter 2308, to monitor the state’s workforce development system. State agencies represented on the Council, including TWC, report their actions and performance outcomes to TWIC annually, which are discussed in TWIC’s annual evaluation report.

**Figure 40** shows performance outcomes for each TWC program based on the percent of customers who obtained employment one calendar quarter following exit from the program. Employment outcomes varied considerably across programs and during the five-year period. Cross program variations reflect the customer population and nature of the programs. Those serving the elderly, such as the Senior Community Service Employment Program, were less likely to place their participants than those providing training to incumbent workers such the Skills Development Fund.

Not only did all program measures show fluctuations in performance during the five-year period, each one declined in fiscal year 2010. According to TWC, this reflects the effect of the economic downturn on employment prospects for program customers.

**FIGURE 40  
TWC PROGRAM PERFORMANCE OUTCOMES  
FISCAL YEARS 2006 TO 2010**

|                                                    | 2006   | 2007   | 2008   | 2009   | 2010   |
|----------------------------------------------------|--------|--------|--------|--------|--------|
| <b>Percent of Customers Who Entered Employment</b> |        |        |        |        |        |
| WIA–Adult                                          | 83.61% | 86.89% | 85.46% | 84.16% | 77.73% |
| WIA–Dislocated Worker                              | 84.84% | 90.11% | 87.78% | 87.28% | 80.68% |
| WIA–Youth                                          | 58.91% | 67.88% | 72.39% | 73.57% | 59.40% |
| Employment Services                                | 77.08% | 78.45% | 80.55% | 79.97% | 71.86% |
| Trade Adjustment Act                               | 82.08% | 83.00% | 84.65% | 85.31% | 71.25% |
| Senior Community Service Employment Program        | 45.20% | 36.04% | 42.00% | 39.48% | 39.16% |
| TANF Choices                                       | 81.79% | 83.02% | 85.10% | 84.77% | 80.86% |
| SNAP E&T                                           | 83.59% | 80.78% | 80.90% | 84.37% | 82.81% |
| Project RIO–Adult                                  | 70.30% | 72.78% | 74.95% | 73.06% | 58.16% |
| Skills Development Fund                            | 95.99% | 95.95% | 96.16% | 96.11% | 88.13% |
| Self–Sufficiency Fund                              | 89.87% | 94.49% | 94.14% | 83.74% | 75.29% |

NOTE: Project RIO–Youth outcomes are shown in the section for the Texas Youth Commission.  
SOURCE: Texas Workforce Commission.