
Overview of the Texas Workforce Development System Legislative Primer

LEGISLATIVE BUDGET BOARD STAFF

**SECOND EDITION
JUNE 2013**

Acknowledgements

The project which produced this report relied heavily on the cooperation, data collection and processing, and hard work of staff in several state agencies and institutions of higher education. The staff of the Legislative Budget Board is very appreciative of the assistance they provided during this project.

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

CONTENTS

REPORT HIGHLIGHTS	1
USING THIS REPORT	1
TEXAS WORKFORCE INVESTMENT COUNCIL	2
PUBLIC SECONDARY CAREER AND TECHNICAL EDUCATION	3
TEXAS EDUCATION AGENCY	4
TEXAS JUVENILE JUSTICE DEPARTMENT	6
POST-SECONDARY CAREER AND TECHNICAL EDUCATION	7
COMMUNITY AND TECHNICAL COLLEGES	7
TEXAS HIGHER EDUCATION COORDINATING BOARD	8
COMMUNITY COLLEGES	10
TEXAS STATE TECHNICAL COLLEGE SYSTEM	12
TEXAS STATE UNIVERSITY SYSTEM, TWO-YEAR LAMAR INSTITUTIONS	14
TEXAS ENGINEERING EXTENSION SERVICE	17
TEXAS DEPARTMENT OF CRIMINAL JUSTICE, WINDHAM SCHOOL DISTRICT	18
ADULT BASIC EDUCATION	20
TEXAS EDUCATION AGENCY	20
DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES	23
TEXAS VETERANS COMMISSION	25
TEXAS WORKFORCE COMMISSION	27

OVERVIEW OF THE TEXAS WORKFORCE DEVELOPMENT SYSTEM

Texas' workforce development system consists of education, training, guidance, and career development programs that are administered by seven state agencies, public institutions of higher education, and independent school districts. Federal, state, local, and non-profit sources provide the funding for these programs. The federal government is the primary source of funding for employment and training programs serving adults in Texas, while a mix of state and federal funding sources support career and technical education programs for youth and adults.

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 2008 to 2012. The report does not evaluate the programs or education services provided by state agencies or public institutions of higher education.

REPORT HIGHLIGHTS

- ◆ State, federal, and other funding sources provided \$1.9 billion to support workforce development programs in Texas in fiscal year 2012, a 7.9 percent increase from fiscal year 2008.
 - Changes in federal funding varied significantly across agencies/institutions and programs. Federal funds expended by the Texas State Technical Institute increased 30.5 percent, while the primary funding source for local workforce solution centers, the Workforce Investment Act, decreased 24.7 percent from fiscal years 2008 to 2012.
 - Changes in state funding during the five-year period ranged from a 21.9 percent increase for the Lamar Institutions' technical programs to a 10.7 percent decrease for vocational programs serving incarcerated offenders through the Windham School District.

Workforce development programs served 3.3 million Texans in fiscal year 2012, an 11.3 percent increase from fiscal year 2008. Changes in service levels ranged from an increase of 35.4 percent in public school

students served by career and technical education programs to a 32.0 percent decrease in people served by Workforce Investment Act programs.

- ◆ A widely used performance measure for gauging success, the entered employment rate, indicates the percentage of people who became employed after exiting an employment program or earning a credential from a postsecondary community/technical college. This measure ranged from 58 percent for the state's general vocational rehabilitation program to 84 percent for community college career and technical education.
- ◆ 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. All 28 LWDBs contract with service providers for the delivery of direct customer services.

USING THIS REPORT

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

All of the report 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 the 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 2008 to 2012.

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 by 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.

TWIC consists of 19 members from various workforce development sectors. 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. TWIC 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. TWIC'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: 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, reviews of state and local workforce development plans, and recommendations to the Governor. TWIC's primary focus is on the strategic plan, and its duty to facilitate and evaluate implementation of the plan by state agencies and the local entities with whom they interact.

State law requires TWIC to evaluate implementation of the state workforce system strategic plan and other aspects of the system. Since 2004, TWIC has published nine annual system evaluations. The annual evaluation reports include the following six evaluation elements:

- formal and less formal performance measures;
- implementation of the system strategic plan;
- adult education alignment activities and achievements;
- local workforce board activities and alignment;
- workforce development programs that focus on welfare-to-work initiatives; and
- member agency strategic plan alignment.

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. TWIC 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 TWIC. 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. TWIC 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 statewide goals and objectives for workforce development.

TWIC reviews and recommends approval by the Governor of each LWDB's plan.

FUNDING

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 its member state agencies. Statute 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 its work and that of the Texas Skill Standards Board.

Figure 1 shows TWIC's expenditures for fiscal years 2008 to 2012. Expenditures fluctuated during the five-year period, depending on external projects and pilots. Expenditures decreased in fiscal years 2011 and 2012 due to staff turnover and a vacant position.

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 CTE 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, which provides a graduation and higher

education coursework plan. The Texas Education Agency (TEA) requires school districts receiving federal Perkins grants to ensure that each of their secondary schools offer students at least three programs of study.

PERKINS CAREER AND TECHNICAL EDUCATION ACT

The federal government has provided a stable source of funding for career and technical education in school districts and community/technical colleges since 1984 under the Carl D. Perkins Career and Technical Education Act. Now in its fourth version, the act authorizes state basic grants to enhance CTE for secondary (high school) and postsecondary (higher education) students. To receive these grants, states must submit a state plan for CTE (plan) that describes CTE program administration at the state and local education agency levels. The plan must demonstrate how state education agencies will help school districts offer CTE programs of study, i.e. a coherent sequence of courses associated with specific occupational areas. The plan's accountability section identifies annual performance targets for eight secondary core indicators and six postsecondary core indicators. In collaboration with the Texas Higher Education Coordinating Board (THECB), TEA submits annual updates to the five-year plan that was approved by the State Board of Education in 2007.

The Perkins basic grant (basic grant) funds general CTE support functions such as curriculum and professional development. Grants are allocated to states based on a statutory formula that includes a state's population in certain age groups and its per capita income. 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. TEA administers the basic grant program for secondary education; and THECB administers the basic grant for postsecondary education.

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 five-year Perkins State Plan for Career and Technical Education to the U.S. Department of Education.

FIGURE 1
TEXAS WORKFORCE INVESTMENT COUNCIL EXPENDITURES, FISCAL YEARS 2008 TO 2012

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
All Funds	\$957,157	\$919,283	\$888,247	\$848,100	\$776,978	(18.8%)

SOURCES: Legislative Budget Board; Texas Workforce Investment Council.

SBOE also determines the proportional allocation of the Perkins basic grant between secondary and postsecondary CTE programs. Finally, SBOE adopts the Texas Essential Knowledge and Skills, the curriculum standards outlining what students should know and be able to do upon completion of each secondary CTE course.

TEXAS EDUCATION AGENCY

TEA oversees and supports public secondary CTE in several ways. The agency supports implementation of CTE-related curriculum guidelines, allocates and oversees state and federal funding, and monitors the effectiveness of CTE programs. TEA acts as the lead agency for the administration of the Perkins basic grant, and compliance with accountability requirements under the Perkins Act. In conjunction with THECB, TEA develops the Perkins state plan for CTE. To ensure Perkins grant standards are maintained, 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 that are 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 16 career clusters has 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 Early College High Schools and Texas Science Technology Engineering and Math (T-STEM) initiatives. TEA provides funding and guidance, in partnership with Educate Texas, to Early College High Schools which allow students who are 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.

AGENCY AND PROGRAM INTER-RELATIONSHIPS

To administer its state level CTE functions, TEA primarily interacts with the Texas Workforce Investment Council (TWIC), THECB, the Texas Juvenile Justice Department (TJJJ), the Texas 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 a member agency of TWIC, participates in its workforce system planning and system integration projects, and submits annual performance data to TWIC.

TEA works with THECB on CTE implementation 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 basic grant funding to TJJJ 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 Commissioner of Education, the Commissioner of 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.

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 Perkins basic grant for public secondary CTE 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 authorizes TEA to expend up to 10 percent of the Perkins grant for leadership activities, which include professional development, curriculum development, student organization support services, and research. For example, in fiscal year 2012 the agency used \$300,000 from the leadership activities allocation for the Achieve Texas program mentioned

previously. Finally, TEA may allocate up to 5 percent of the basic grant for agency administration. From fiscal years 2008 to 2012 the agency used less than 3.5 percent for administration.

SBOE determines the proportion of the Perkins 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 student course-taking. The allotment is 1.35 for each full-time-equivalent (FTE) student in a CTE program. An FTE 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 2008 to 2012. As stated above, federal funding increased in fiscal year 2009 because the SBOE raised the public education portion of the Perkins basic grant. This resulted in the fiscal year 2012 direct allocation to school districts being 12.1 percent higher than fiscal year 2008. The CTE weighted allotment cost increased each year due to growth in the student FTEs counts. The allotment cost increased in fiscal year 2010 due to an additional allotment of \$50 per student in advanced CTE courses. The regular program adjustment factor in effect for fiscal year 2012 contributes to the increased cost of CTE participation that year.

STUDENT PARTICIPATION IN CTE

Figure 3 shows the student participation in CTE courses or programs from fiscal years 2008 to 2012. CTE concentrators are those students who intend 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. During the five-year period, the number of CTE course-takers increased significantly, with fiscal year 2012 participation 51.6 percent higher than fiscal year 2008. The number of CTE concentrators also increased steadily, ending with 19.0 percent more students than in fiscal year 2008.

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 2
PUBLIC SECONDARY CAREER AND TECHNICAL EDUCATION EXPENDITURES BY PROGRAM AND METHOD OF FINANCE,
FISCAL YEARS 2008 TO 2012 (IN MILLIONS)**

PROGRAM/METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Perkins Grant						
Allocation to Districts/Charters	\$50.4	\$56.8	\$56.2	\$57.0	\$56.5	12.1%
Leadership	5.0	6.5	6.5	6.0	6.4	28.3%
Administration	2.0	2.1	2.1	1.8	1.6	(19.1%)
Total, Federal Perkins Grant	57.4	\$65.4	\$64.8	\$64.9	\$64.6	12.5%
State Foundation School Program CTE Allotment	\$380.0	\$414.0	\$461.0	\$490.0	\$611.0	60.8%

NOTE: Funding from local tax revenue and private sources also provide support for CTE as well as other education programs.
SOURCES: Legislative Budget Board; Texas Education Agency.

**FIGURE 3
PUBLIC SECONDARY CAREER AND TECHNICAL EDUCATION STUDENT PARTICIPATION, FISCAL YEARS 2008 TO 2012**

GROUP	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Student CTE Course-takers	372,310	385,937	397,491	536,070	564,436	51.6%
Student CTE Course Concentrators	367,999	379,733	395,626	417,813	438,032	19.0%

SOURCES: Legislative Budget Board; Texas Education Agency.

Figure 4 shows performance levels for two measures that are reported to USDE by TEA, the CTE student educational achievement rate and the CTE student entered employment or higher education placement rate. The educational achievement rate reflects the percentage of CTE students who received a high school diploma or earned a general equivalency diploma (GED) each year. The educational achievement rate among CTE students increased during the five-year period, ending at 96.4 percent in fiscal year 2012 compared to a 90.6 percent in fiscal year 2008.

The entered employment/higher education placement rate reflects the percentage 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 73.4 percent and ending at 70.1 percent in fiscal year 2012.

TEXAS JUVENILE JUSTICE DEPARTMENT

The Texas Juvenile Justice Department (TJJD) provides career and technical education (CTE) to incarcerated youth, and opportunities for employment experience through Campus Work programs. 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, TJJD coordinates with community-based organizations for additional training, supportive services, and employment assistance during the period following TJJD release. These are the same programs that the Texas Youth Commission (TYC) administered until December 1, 2012. After that point, TJJD became the

administering agency pursuant to legislation passed during the 2011 legislative session.

The agency’s CTE program gives students instruction and training in certain occupations. The curriculum for many CTE courses are aligned with industry certifications to provide students an opportunity to develop occupationally specific skills and obtain industry recognized certification.

Campus work programs allow youth to work with facility staff in areas such as grounds keeping, maintenance, cafeteria, laundry, and some office assistance. To be eligible, students must show adequate progress in all aspects of their re-entry plan and exhibit appropriate behavior. These programs can be aligned with a career preparation class to aid the student in earning high school credit.

AGENCY AND PROGRAM INTER-RELATIONSHIPS

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

Licensing and certifying organizations partner with TJJD to ensure its industry certifications meet current program and professional standards. TJJD 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

**FIGURE 4
PUBLIC SECONDARY CAREER AND TECHNICAL EDUCATION PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012
CTE Student Educational Achievement Rate	90.6%	88.5%	94.3%	96.1%	96.4%
CTE Student Entered Employment or Higher Education Placement Rate	73.4%	73.1%	70.0%	70.5%	70.1%

SOURCES: Legislative Budget Board; Texas Workforce Investment Council.

for TJJD students. Also, certain community colleges offer TJJD students dual credit courses.

FUNDING ALLOCATIONS

The TJJD CTE program is funded through two primary sources. The largest is a direct appropriation of General Revenue Funds for CTE instructor positions and related costs. Also, TEA transfers a portion of the Perkins grant to TJJD 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.

Figure 5 shows expenditures for TJJD’s CTE program for fiscal years 2008 to 2012. Fiscal years 2008 to 2012 reflect expenditures by TYC/TJJD. The federal Perkins grant allocation decreased by 12.3 percent during the five-year period. Expenditures of state General Revenue Funds for CTE programs decreased by 27.2 percent from fiscal years 2008 to 2012.

STUDENT PARTICIPATION IN CTE PROGRAM

Figure 6 shows the number of students participating in TJJD’s CTE program, from fiscal years 2008 to 2012. Participation in the program decreased significantly during the five-year period, mirroring the decrease in TYC/TJJD’s overall student population.

ACCOUNTABILITY

TJJD is held accountable to the Legislature and the Office of the Governor through the Legislative Budget Board’s performance-based monitoring process. The process 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 5 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, TJJD reports performance outcomes to the Texas Workforce Investment Council for its annual workforce development system evaluations.

Figure 7 shows the percentage of students age 16 or above who earned a high school diploma or GED 90 days after release from a TJJD operated secure correctional facility, from fiscal years 2008 to 2012. This measure of educational achievement decreased from 44.9 percent to 41.4 percent during this five-year period. According to TJJD, students typically enter secure correctional facility functioning at a fifth grade level in math and fifth-sixth grade level in reading. These levels are four to five years below their peers, and a significant portion of a secure correctional facility’s population qualifies for special education. As noted previously, until fiscal year 2013 all educational services were administered by TYC.

POSTSECONDARY CAREER AND TECHNICAL EDUCATION

COMMUNITY AND TECHNICAL COLLEGES

Community and technical colleges are the primary providers of postsecondary career and technical education (CTE) in Texas. They include 50 community colleges, the Texas State Technical College System institutions, and the two-year Lamar institutions within the Texas State University System.

FIGURE 5
TEXAS YOUTH COMMISSION/TEXAS JUVENILE JUSTICE DEPARTMENT CAREER AND TECHNICAL EDUCATION PROGRAM
EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Perkins Grant	\$190,967	\$156,090	\$156,794	\$196,928	\$167,558	(12.3%)
State General Revenue Funds	\$2,571,341	\$2,371,253	\$2,231,938	\$2,221,812	\$1,871,212	(27.2%)

SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

FIGURE 6
TEXAS YOUTH COMMISSION/TEXAS JUVENILE JUSTICE DEPARTMENT CAREER AND TECHNICAL EDUCATION PROGRAM
STUDENT PARTICIPATION, FISCAL YEARS 2008 TO 2012

	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Student Participation in CTE Program	3,881	3,261	2,663	1,775	1,483	(61.8%)

SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

**FIGURE 7
TEXAS YOUTH COMMISSION/TEXAS JUVENILE JUSTICE DEPARTMENT PERFORMANCE OUTCOMES,
FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012
Percentage of Students Earned a Diploma or GED	44.9%	40.6%	34.9%	38.7%	41.4%

SOURCES: Legislative Budget Board; Texas Juvenile Justice Department.

Combined, these institutions served almost 200,000 students in CTE programs and expended \$27.5 million in federal Perkins Act funding and \$328.6 million in General Revenue Funds for contact hours associated with students majoring in CTE subjects during fiscal year 2012.

TEXAS HIGHER EDUCATION COORDINATING BOARD

The 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. THECB oversees CTE-related associate degree and certificate programs in community and technical colleges (CTC). THECB approves new and revised requests for workforce education programs, administers federal grant programs, and provides technical assistance to CTCs. THECB administers the higher education portion of the federal Perkins Act, which authorizes federal funding for the Perkins basic grant. In conjunction with the Texas Education Agency (TEA), THECB develops a Perkins State Plan for Career and Technical Education. The Perkins basic grant must be used by THECB, as well as community and technical colleges, to improve CTE programs. THECB monitors these institutions’ CTE programs through its accountability system, as well as on-site monitoring visits that ensure compliance with statutory requirements and agency rules.

AGENCY AND PROGRAM INTER-RELATIONSHIPS

THECB and 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. Also the P–16 Council also develops college and career readiness goals and objectives affecting 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 (USDE) 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 provides reports which education and training providers can use to plan and better align their programs to industry needs.

FUNDING ALLOCATIONS

The federal Perkins basic grant is 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. CTCs receive their allocation based on the percentage of students enrolled in technical credential programs who are eligible for federal Pell grants.

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

**FIGURE 8
COMMUNITY AND TECHNICAL COLLEGES CAREER AND TECHNICAL EDUCATION EXPENDITURES BY METHOD OF FINANCE,
FISCAL YEARS 2008 TO 2012 (IN MILLIONS)**

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Perkins Basic Grant						
Allocation to CTCs	\$33.0	\$28.9	\$25.1	\$25.3	\$25.5	(22.8%)
Leadership	2.1	1.8	1.8	2.0	1.2	(42.4%)
Administration	1.0	1.0	1.0	0.8	0.8	(15.8%)
Total, Federal Perkins Grant	\$36.1	\$31.6	\$27.8	\$28.1	\$27.5	(23.7%)
State						
Technical Student Contact Hour Funding	\$337.9	\$337.9	\$323.0	\$323.3	\$328.6	(2.8%)

NOTE: Funding from local tax revenue and private sources also provide support for CTE and other education programs.
SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board.

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 2008 to 2012, the agency used approximately 3.0 percent for this purpose.

Figure 8 shows expenditures for the Perkins basic grant, and expenditures associated with technical student contact hours, for community and technical colleges for fiscal years 2008 to 2012. Declining expenditures from the Perkins basic grant stemmed from the SBOE’s decision to reduce the higher education portion of the grant, as well as an overall reduction in the grant to Texas. General Revenue Fund expenditures based on technical student contact hours decreased during the five-year period, ending with fiscal year 2012 expenditures 2.8 percent lower than fiscal year 2008. This mirrors a trend in contact hour funding for community colleges — 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.

CTCs 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.

STUDENT ENROLLMENT IN CTE PROGRAMS

Figure 9 shows fall enrollment in CTE programs among community and technical colleges in Texas. Although CTE

enrollment fluctuated during the five-year period, fiscal year 2012 enrollment exceeded fiscal year 2008 by 4.7 percent. These fluctuations reflect that CTE course-taking can vary significantly by community and technical college campus, and by state of the economy.

ACCOUNTABILITY

USDE holds THECB accountable for its allocation of Perkins grant funding by establishing outcome targets for six core indicators to assess postsecondary CTE programs. Targets for these measures are negotiated between THECB and USDE. THECB also reports outcome measures to TWIC each year. TWIC includes outcome data for two-year institutions in its annual workforce development system evaluation reports. Performance measures reported to TWIC include the percentage of CTC students who entered employment upon program completion, and those who obtained a postsecondary credential (e.g. associates degree) within six years of initial enrollment.

CTCs report performance data to THECB by using the agency’s online accountability system. Outcome measures the Legislative Budget Board established are also included in THECB’s accountability system.

Figure 10 shows performance outcomes for CTE students in CTCs. The percentage of CTE students who attained an advanced technical credential or associate degree within six years of entering a CTC credential program remained relatively constant during the five-year period, ending at 22.8 percent in fiscal year 2012. However, this measure does not fully reflect the success of CTCs in serving student needs. Students who initially declared a technical major may later

**FIGURE 9
COMMUNITY AND TECHNICAL COLLEGES CAREER AND TECHNICAL EDUCATION STUDENT ENROLLMENT,
FISCAL YEARS 2008 TO 2012**

	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Student Enrollment in CTE Programs	190,659	169,223	192,843	207,795	199,587	4.7%

NOTE: Figures reflect fall enrollment of each year.
SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board; Texas State University System; Texas State Technical College System.

**FIGURE 10
COMMUNITY AND TECHNICAL COLLEGES CAREER AND TECHNICAL EDUCATION PERFORMANCE OUTCOMES,
FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012
CTE Students Obtained a Credential Within Six Years	24.0%	23.2%	22.8%	21.8%	22.7%
CTE Students Entered Employment or Continued Higher Education	85.9%	86.7%	86.4%	84.6%	84.2%

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

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 percentage of CTE 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 85.9 percent in fiscal year 2008 to 84.2 percent in fiscal year 2012.

COMMUNITY COLLEGES

Texas has 50 public community college districts, five of which have multiple campuses. Their mission is to teach academic courses leading to an associate’s degree, and CTE courses leading to an associate degree or certificate in a skilled occupation. Community colleges also provide continuing education, developmental education, workforce development training, adult literacy programs, and 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 private organizations, such as non-profit foundations.

Associate of Applied Science degree programs at community colleges feature a coherent sequence of CTE courses combined with academic courses designed to prepare students for entry into the workforce. 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. Students can also earn technical certificates in fields such as welding, computer technology, culinary arts, and many other disciplines. Community colleges typically offer non-credit continuing education courses; and many offer customized training to serve the workforce needs of local employers and skill development needs of unemployed or underemployed workers. Also, community college technical programs often have connections with local school districts through dual credit courses, awarding of Advanced Technical Credit, and Early College High Schools.

COMMUNITY COLLEGES – 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 THECB, they also interact frequently with the TWC. The agency provides them valuable employment and economic information for planning their technical 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 technical programs. Local advisory boards provide input to community college faculty on the content and delivery of technical 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 coordination of 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 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 percentage 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 2008 to 2012 from the federal Perkins basic grant and state 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 3.8 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 technical 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-profit, and non-profit entities (such as TWC’s Skills Development Fund).

STUDENT ENROLLMENT IN CTE PROGRAMS

Figure 12 shows the fall enrollment in technical programs for community colleges from fiscal years 2008 to 2012.

**FIGURE 11
COMMUNITY COLLEGES CAREER AND TECHNICAL EDUCATION EXPENDITURES BY METHOD OF FINANCE,
FISCAL YEARS 2008 TO 2012 (IN MILLIONS)**

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Perkins Basic Grant	\$29.1	\$25.5	\$22.1	\$22.3	\$22.0	(24.2%)
State Technical Student Contact Hour Funding	\$293.2	\$293.2	\$276.4	\$273.9	\$282.2	(3.8%)

NOTE: Funding from local tax revenue and privates sources also provide support for CTE and other education programs.
SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board.

**FIGURE 12
COMMUNITY COLLEGES STUDENT ENROLLMENT IN CTE PROGRAMS, FISCAL YEARS 2008 TO 2012**

	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Student Enrollment in CTE Programs	174,071	150,519	171,773	189,373	182,146	4.6%

NOTE: Figures reflect fall enrollment of each year.
SOURCES: Legislative Budget Board; Texas Higher Education Coordinating Board.

During this period enrollment fluctuated and then increased significantly in fiscal 2011, which was about 10 percent higher fiscal year 2010. Community colleges enrolled about 8,000 more CTE students in fall 2011 (fiscal year 2012) than fall fiscal year 2007 (fiscal year 2008), an increase of 4.6 percent.

ACCOUNTABILITY

Community colleges are held accountable for the results of their technical programs primarily by the THECB. The agency requires community colleges to report Perkins core indicator data, and other technical related measures through the THECB accountability reporting system. Community colleges must develop a Performance Improvement Plan (PIP) for any core indicator not met within 90 percent of the negotiated target. Also, the agency conducts on-site monitoring visits to Perkins Basic grant subrecipients to monitor their compliance with federal regulations and Perkins IV. The site visit schedule is determined annually based on the results of a risk assessment.

Figure 13 shows community college performance outcomes indicated by two measures for fiscal years 2008 to 2012. The percentage of CTE students who attained a technical certificate or associates degree within six years of entering a credential program did not change significantly during the five-year period, ending at 21.91 percent in fiscal year 2012.

The percentage of CTE 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 84.9 percent in fiscal year 2008 to 84.5 percent in fiscal year 2012. 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

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 TSTC 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 TSTC system includes three additional colleges, TSTC-Harlingen, TSTC-Marshall, and TSTC-West Texas, with locations in Sweetwater, Abilene, Breckenridge, and Brownwood.

TSTC SYSTEM 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 STEM 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 establishing educational partnerships that serve all areas of the state with technical education and training. In partnership with Temple College, TSTC-Waco is constructing and developing the East Williamson County Higher Education Center in Hutto to provide technical education in high demand programs for this growing area. The new facility is expected to begin serving students in fall 2013. TSTC institutions also assist returning veterans in re-entering the workforce through skills validation and training.

FUNDING ALLOCATIONS

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.

**FIGURE 13
COMMUNITY COLLEGES CAREER AND TECHNICAL EDUCATION PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012
CTE Students Obtained a Credential Within Six Years	23.3%	22.2%	22.0%	20.9%	21.9%
CTE Students Entered Employment or Continued Higher Education	85.9%	86.7%	86.5%	84.9%	84.5%

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

As **Figure 14** shows, Perkins funding decreased from fiscal years 2008 to 2012 due to the SBOE's adjustment to the higher education portion, as well as a reduction in Texas' overall grant allocation.

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 significantly from fiscal years 2008 to 2012.

Federal financial aid provided significant funding for TSTC. Financial aid accounted for 62.2 percent to 71.8 percent of all federal assistance from fiscal years 2008 to 2012. 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 and then subsequently decreased funding. Also, TSTC institutions received significant American Recovery and Reinvestment Act (ARRA) funding in fiscal years 2009 and 2010.

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. As shown in **Figure 14**, these General Revenue Fund sources provided about \$77.3 million in fiscal year 2012. TSTC is also allocated a portion of the Higher Education Assistance Fund, and combined with state contract funding totaled about \$8.0 million in fiscal year 2012.

TSTC institutions provide customized job training to employers that are 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 15** shows that TWC awarded approximately \$1.0 million to \$2.4 million in SDF grants to TSTC annually from fiscal years 2008 to 2012.

Tuition and fees paid by students and parents provided 13.2 percent of TSTC's total revenue in fiscal year 2012.

FIGURE 14
TEXAS STATE TECHNICAL COLLEGE SYSTEM EXPENDITURES BY METHOD OF FINANCE,
FISCAL YEARS 2008 TO 2012
(IN MILLIONS)

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Funds						
Perkins Basic Grant	\$3.8	\$3.7	\$3.4	\$2.2	\$2.4	(35.8%)
Workforce Development Grants	3.2	1.8	1.2	2.5	0.7	(77.5%)
Federal Financial Aid	17.7	22.0	44.5	38.8	26.6	50.7%
Other Federal Funds	3.8	4.4	10.6	12.5	7.3	94.6%
Total, Federal Funds	\$28.4	\$31.9	\$59.7	\$55.9	\$37.1	30.5%
State Funds						
General Revenue Funds	\$77.7	\$78.8	\$87.1	\$75.7	\$77.3	(0.4%)
State Grants, Contracts, HEAF	8.9	10.9	8.8	8.1	7.9	(11.0%)
Texas Grants	1.4	1.9	2.0	1.8	1.8	29.1%
Skills Development Fund	2.4	2.1	1.1	2.1	1.0	(60.3%)
Total, State Funds	\$90.3	\$93.7	\$99.0	\$87.8	\$87.9	(2.6%)
Other Funds						
Tuition and Fees	\$19.2	\$14.8	\$16.6	\$21.0	\$22.3	16.4%
Institutional Resources	19.2	18.8	17.1	20.7	21.7	13.3%
Total, Other Sources	\$38.3	\$33.6	\$33.7	\$41.7	\$44.0	14.9%
Grand Total	\$157.1	\$159.2	\$192.5	\$185.3	\$169.0	7.6%

SOURCES: Legislative Budget Board; Texas State Technical College System.

FIGURE 15
TEXAS STATE TECHNICAL COLLEGE SYSTEM STUDENT ENROLLMENT, FISCAL YEARS 2008 TO 2012

	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Student Enrollment	11,610	13,344	15,456	13,024	12,353	6.4%

NOTE: Figures reflect fall enrollment of each year.
SOURCES: Legislative Budget Board; Texas State Technical College System.

Expenditures from this source increased 16.4 percent from fiscal years 2008 to 2012. Finally, institutional resources revenue, including local grants, sales revenue, and auxiliary enterprises, contributed 12.8 percent of total revenue in fiscal year 2012. Expenditures from these sources combined increased 13.3 percent during the five-year period. Overall, TSTC system funding sources increased 7.6 percent from fiscal years 2008 to 2012.

STUDENT ENROLLMENT

Figure 15 shows the fall enrollment for the TSTC system from fiscal years 2008 to 2012. During the first three years of this period, enrollment increased steadily. However enrollment decreased from 15,456 in fiscal year 2010 to 12,353 in fiscal year 2012, a decrease of 3,100 students. Fiscal year 2012 enrollment was approximately 6.4 percent higher than fiscal year 2008.

ACCOUNTABILITY

The TSTC system is held accountable primarily by THECB. THECB 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 16 shows performance outcomes for fiscal years 2008 to 2012. The percentage of TSTC students who attained an advanced technical credential or associates degree within six years of entering a credential program increased during the five-year period, ending at 32.2 percent in fiscal year 2012.

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 percentage 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 83.7 percent in fiscal year 2008 to 81.9 percent in fiscal year 2012. These results are similar to performance outcomes for community and technical colleges overall as noted previously.

TEXAS STATE UNIVERSITY SYSTEM, 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 CTE, 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 provides licensure programs for law enforcement, firefighters, EMT, dental hygiene, homeland

FIGURE 16
TEXAS STATE TECHNICAL COLLEGE SYSTEM PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012
Students Obtained a Credential Within Six Years	28.7%	32.3%	31.2%	30.9%	32.2%
Student Entered Employment or Continued Higher Education	83.7%	84.8%	84.9%	80.5%	81.9%

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

security, security treatment groups, utility line technology, sonography, medical radiologic technology, and health information technology.

Lamar State College-Port Arthur offers a wide variety of academic and technical programs linked to 29 associate degrees and 26 technical certificates. It features an allied health program recognized for its student licensure rate.

Lamar State College-Orange offers both academic transfer and career-oriented programs of study. The college has more than 20 career-oriented degree and certificate programs, including recognized programs in nursing, dental assisting, industrial technology, and information technology.

TWO-YEAR LAMAR INSTITUTIONS CTE PROGRAM INTER-RELATIONSHIPS

The two-year Lamar institutions collaborate with each other, TSUS, and THECB. In addition to the administrative, funding, and accountability relationships the Lamar institutions 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 Lamar institutions coordinate with the state's community colleges to develop partnerships that enrich CTE and academic programs. Also, the Lamar institutions 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 funds from several sources. The Perkins grant allotment is based on their 30 percent share of Pell-grant eligible CTE students statewide. As shown in **Figure 17**, Perkins funding decreased significantly from fiscal years 2008 to 2012, by 38.0 percent, as a result of a State Board of Education change in the proportion of funds for postsecondary education, as well as an overall decrease in Texas' total Perkins grant. The U.S. Department of Labor allocates funding for various workforce development programs, such as Community Based Job Training and the Workforce Investment Act. The institutions received funding of \$0.5 million in fiscal year 2008, but no funding in fiscal year 2012. Federal financial aid provides major funding for the Lamar institutions, this funding represented 87 percent of all federal assistance in fiscal year 2012. It provided almost 70 percent more funding to the institutions in fiscal year 2012 than in fiscal year 2008. Total

federal funding increased 43.7 percent during the five-year period.

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 formula base period years. The Lamar institutions receive state funding through the infrastructure formula, which finances physical plant outlays. They are also allocated a portion of the Higher Education Assistance Fund. As shown in **Figure 18**, funding from all state sources increased by 22.2 percent from fiscal years 2008 to 2012.

Tuition and fees paid by students and parents provided approximately 27 percent of total revenue in fiscal year 2012. Funding from this source increased 17.8 percent during the five-year period. Finally, institutional resources revenue, including local grants, sales revenue, and auxiliary enterprises, contributed about 3 percent of total revenue in fiscal year 2012. This revenue decreased 44.0 percent from fiscal years 2008 to 2012. Overall, funding for the three Lamar institutions increased 20.2 percent during the five-year period.

STUDENT ENROLLMENT IN CTE PROGRAMS

Figure 18 shows the fall enrollment in CTE programs for the two-year Lamar Institutions from fiscal years 2008 to 2012. During this period, enrollment increased from 4,978 students in fiscal year 2008 to 5,614 in fiscal year 2010, and then decreased to 5,088 in fiscal year 2012. Overall, CTE program fall enrollment increased 2.2 percent at during the five-year period.

ACCOUNTABILITY

The two-year Lamar institutions are held accountable by TSUS, and THECB. THECB requires the colleges to report Perkins core indicator data and other CTE related measures through the THECB accountability reporting system, and submit quarterly assessments through its Perkins grant system. The Lamar institutions 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, THECB conducts regular on-site visits to evaluate the colleges' CTE programs every four years.

Figure 19 shows data for several performance measures for fiscal years 2008 to 2012 for all three Lamar institutions combined. The percentage of CTE program students who

FIGURE 17
ALL TWO-YEAR LAMAR INSTITUTIONS EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012
(IN MILLIONS)

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Funds						
Perkins Grant	\$1.2	\$1.0	\$1.0	\$1.0	\$0.7	(38.0%)
Department of Labor Workforce Grants	0.5	0.4	0.3	0.1	0.0	(100.0%)
Federal Financial Aid	7.3	9.1	14.2	15.6	12.3	68.9%
Other Federal Funds	0.8	5.8	2.1	2.2	1.0	26.2%
Total, Federal Funds	\$9.8	\$16.4	\$17.7	\$18.9	\$14.1	43.7%
State Funds						
General Revenue Funds	\$30.2	\$30.3	\$29.2	\$28.3	\$33.3	10.1%
State Contracts and HEAF	3.2	5.1	6.3	7.9	7.4	139.9%
Total, State Funds	\$33.3	\$35.5	\$35.5	\$36.1	\$40.7	22.2%
Other Funds						
Tuition and Fees	\$17.5	\$20.5	\$20.4	\$21.6	\$20.6	17.8%
Institutional Resources	4.0	11.7	4.1	2.2	2.2	(44.0%)
Total, Other Sources	\$21.5	\$32.2	\$24.5	\$23.8	\$22.9	6.3%
Grand Total	\$64.6	\$83.9	\$77.6	\$78.8	\$77.6	20.2%

SOURCES: Legislative Budget Board; Texas State University System.

FIGURE 18
TWO-YEAR LAMAR INSTITUTIONS STUDENT ENROLLMENT IN CTE PROGRAMS, FISCAL YEARS 2008 TO 2012

INSTITUTION	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Lamar Institute of Technology	2,885	3,154	3,243	3,025	2,834	(1.8%)
Lamar State College-Orange	1,192	1,278	1,433	1,446	1,266	6.2%
Lamar State College-Port Arthur	901	928	938	927	988	9.7%
Total, Two-Year Lamar Institutions	4,978	5,360	5,614	5,398	5,088	2.2%

NOTE: Figures reflect fall enrollment of each year.

SOURCES: Legislative Budget Board; Texas State University System.

FIGURE 19
TWO-YEAR LAMAR INSTITUTIONS CTE PROGRAMS PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012
CTE Students Obtained a Credential Within Six Years	32.5%	32.7%	32.2%	27.5%	26.8%
CTE Students Entered Employment or Continued Higher Education	86.1%	85.4%	85.5%	83.3%	80.0%

NOTE: Data reflect combined performance for the Two-year Lamar Institutions.

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

attained a credential within six years of entering the program decreased steadily during the five-year period. Credentials include an associate degree or a technical certificate. The entered employment rate also indicates a downward trend,

decreasing from 86.1 percent in fiscal year 2008 to 80.0 percent in fiscal year 2012.

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

TEEX’s technical training programs primarily serve employed workers. TEEX’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, TEEX trains emergency responders from around the world every year. TEEX 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, TEEX 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, TEEXs 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.

TEEX has several agreements with colleges and universities to provide college credit for courses completed at TEEX. The agency also provides short- term training programs in collaboration with community colleges. TEEX operates two major national training centers. The OSHA Southwest Education Center in conjunction with Occupational Safety and Health Administration (OSHA) and the National Emergency Response and Rescue Training Center in conjunction with the U.S. Department of Homeland Security. The agency also works closely with the TWC’s Skills Development Fund staff to provide customized training for employers wanting to upgrade the skills of their labor force.

FUNDING ALLOCATIONS

TEEX receives funding from a combination of sources. **Figure 20** shows expenditures associated with these sources for fiscal years 2008 to 2012. In addition to its appropriation of General Revenue Funds, TEEX 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.

As shown in **Figure 20**, expenditures from appropriations of appropriated receipts, interagency contracts, federal grants, and indirect cost recovery decreased during the five-year period, while General Revenue Funds increased by 28.8 percent. Funding for a safe drinking water program accounts for some of the increase in General Revenue Fund. In spite of

FIGURE 20
TEXAS ENGINEERING EXTENSION SERVICE EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012
(IN MILLIONS)

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Federal Grants	\$22.5	\$23.2	\$23.3	\$17.6	\$16.1	(28.7%)
General Revenue Funds	2.0	44.0	2.8	3.2	2.5	28.8%
Appropriated Receipts	21.9	20.0	21.1	27.1	27.7	26.7%
Interagency Contracts	1.6	5.1	4.8	2.5	0.9	(43.8%)
Indirect Cost Recovery	8.7	8.8	9.0	7.1	6.4	(26.5%)
Total, All Funds	\$56.6	\$61.2	\$61.0	\$57.4	\$53.5	(5.4%)

NOTE: Federal funds expenditures in fiscal years 2011 and 2012 include approximately \$270,000 and \$342,000, respectively, in ARRA funding.
SOURCES: Legislative Budget Board; Texas Engineering Extension Service.

receiving approximately \$342,000 from ARRA in fiscal year 2012, expenditures from Federal Funds were 28.7 percent less than fiscal year 2008. Overall, fiscal year 2012 expenditures were 5.4 percent lower than fiscal year 2008.

STUDENT/CLIENT SERVICE LEVELS

Figure 21 shows TEEEX 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 2008 to 2012. The number of students or clients served steadily increased each year during the five-year period and ended with fiscal year 2012 levels higher by 8.6 percent than fiscal year 2008 levels. Total contact hours fluctuated throughout the reporting period, however fiscal year 2012 was 6.8 percent lower than fiscal year 2008.

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 public sector and technical assistance student training for fiscal years 2008 to 2012. TEEEX 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 TEEEX training sessions/classes under the direction of instructional staff. Technical assistance includes activities such as orientation and planning sessions; emergency planning exercises, hands-on unit operation and process monitoring; technical and market feasibility assessments; and emergency response services. Service hours reflect time spent by TEEEX providing technical assistance.

Both the number of contact and service hours decreased during the five-year period. Technical assistance service hours decreased the most, with the fiscal year 2012 level nearly half the number of hours provided in fiscal year 2008. The reason for this significant decrease was a reduction in state funding for the emergency planning exercise program, which was previously used to prepare Texas communities to respond to natural and man-made disasters.

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. WSD's offers a variety of academic and career and technical education (CTE) courses. WSD also provides postsecondary academic and vocational

**FIGURE 21
TEXAS ENGINEERING EXTENSION SERVICE STUDENTS/CLIENTS SERVED AND TOTAL CONTACT HOURS,
FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Students/Clients Served	169,222	164,368	169,425	180,449	183,755	8.6%
Total Contact Hours	3,048,890	2,772,673	2,934,269	2,485,385	2,841,879	(6.8)

SOURCES: Legislative Budget Board; Texas Engineering Extension Service.

**FIGURE 22
TEXAS ENGINEERING EXTENSION SERVICE PERFORMANCE OUTCOMES
FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Public Sector Contact Hours	1,686,373	1,793,707	1,877,307	1,695,634	1,331,416	(21.0%)
Technical Assistance Service Hours	156,801	122,659	154,362	49,042	69,265	(55.8%)

SOURCES: Legislative Budget Board; Texas Engineering Extension Service.

training to offenders through contracts with two-year community colleges. During fiscal year 2012, college vocational services were available in 21 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 to offenders younger than age 35 and within five years of release who have not previously participated in vocational training.

WSD 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 younger than age 36 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. It should be noted, however, that the IIPG Grant ended October 2012.

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 TEA and TWC in several ways. WSD collaborates with TEA to ensure its courses, programs, and teachers meet standards established by TEA and SBOE. WSD receives both state and federal funding from TEA, and must comply with administrative and accountability requirements associated with those funding sources. WSD 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 2008 to 2012. Expenditures for the secondary vocational program decreased by 6.1 percent during this five-year period, while

FIGURE 23
TDCJ WINDHAM SCHOOL DISTRICT PROGRAM EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012
(IN MILLIONS)

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Secondary Vocational Program						
Federal Perkins Grants	\$9.3	\$8.8	\$9.4	\$10.0	\$8.7	(6.3%)
Texas Education Agency-General Revenue Funds	0.7	0.6	7.2	0.7	0.7	(3.8%)
Total, Secondary Vocational Program	\$10.0	\$9.5	\$16.6	\$10.7	\$9.4	(6.1%)
Federal Incarcerated Individuals Program Grant	\$0.5	\$0.5	\$1.0	\$0.8	\$0.6	17.5%
Postsecondary Vocational Program-General Revenue Funds	\$1.1	\$1.3	\$1.0	\$0.7	\$0.6	(46.9%)

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

funding for postsecondary program decreased by 46.9 percent. Federal funding for the Youthful Offender Grant/IIPG increased, with fiscal year 2012 expenditures 17.5 percent higher than fiscal year 2008.

STUDENT PARTICIPATION IN VOCATIONAL PROGRAMS

Figure 24 shows the number of students served in secondary and postsecondary vocational programs from fiscal years 2008 to 2012. Participation decreased by 17.3 percent in the secondary vocational program during the five-year period. Student participation in the vocational postsecondary program decreased by 35.3 percent.

ACCOUNTABILITY

Figure 25 shows performance outcome measures for fiscal years 2008 to 2012. The percentage of vocational secondary students who completed a program and were awarded a certificate decreased steadily from fiscal years 2008 to 2012. The percentage of offenders participating in postsecondary/college vocational programs that received a credential fluctuated during the five-year period. In fiscal year 2011, the college program as a whole was restructured, with an emphasis on vocational training. WSD indicates that additional tools were developed to assist staff to better screen

and place offenders who demonstrated a better opportunity for successful completion.

The Legislative Budget Board’s *Windham School District Evaluation, January 2013*, evaluates the district’s vocational training services. The report focuses on the vocational training services offered, the type of employment that offenders obtained upon release, whether employment is related to training they received while incarcerated, the difference between earnings on the initial date of employment and on the first anniversary of that date, and employment retention outcomes. The report is available at www.lbb.state.tx.us.

ADULT BASIC 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 provide nondiscretionary grant management, program

FIGURE 24
TDCJ WINDHAM SCHOOL DISTRICT PARTICIPATION IN SECONDARY AND POSTSECONDARY VOCATIONAL PROGRAMS,
FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Secondary Vocational Program Participants	12,182	11,290	10,835	11,199	10,074	(17.3%)
Postsecondary Vocational Program Participants	3,621	3,891	3,941	2,982	2,341	(35.3%)

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

FIGURE 25
TDCJ WINDHAM SCHOOL DISTRICT VOCATIONAL PROGRAMS PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012
Secondary Vocational Students-Educational Achievement	81.0%	80.0%	78.3%	76.6%	77.8%
Postsecondary Vocational Students-Educational Achievement	34.7%	31.2%	27.5%	32.8%	35.8%

SOURCES: Legislative Budget Board; Texas Workforce Investment Council.

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 four categories: adult basic education, adult secondary education, English as a second language, and English literacy and civics. 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 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.

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 that are jointly funded and overseen by the tri-agency partnership. Both programs were extended until fall 2013.

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. TWIC has estimated that up to 42,000 people were on ABE provider waiting lists in fiscal year 2011.

FUNDING ALLOCATIONS

TEA receives federal funding authorized by WIA Title II 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 age 16 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 the 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 SBOE for use beginning in fiscal year 2011. According to TEA, a base allocation for each provider is 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 is 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. In fiscal year 2012, TEA awarded \$10.4 million in performance funding to ABE providers.

Figure 26 shows expenditures for adult education for fiscal years 2008 to 2012. Expenditures from funds authorized by WIA Title II increased significantly during the five-year period – federal funding increased by 25.3 percent and state funding rose by 36.3 percent, for an overall total increase of 26.7 percent. Expenditures from the TANF grant stayed constant during this period.

ADULT EDUCATION PROGRAM ENROLLMENT

Figure 27 shows the number of individuals enrolled in adult education programs from fiscal years 2008 to 2012. Although expenditures for WIA Title II programs increased considerably, overall enrollment in the programs decreased

**FIGURE 26
ADULT BASIC EDUCATION PROGRAM EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012
(IN MILLIONS)**

METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
WIA Title II-ABE, ASE, ESL, English Literacy and Corrections						
Federal	\$46.5	\$45.4	\$49.8	\$55.7	\$58.3	25.3%
State	6.9	6.9	11.9	11.9	9.4	36.3%
Total, WIA II	\$53.4	\$52.3	\$61.7	\$67.5	\$67.7	26.7%
TANF						
Federal	\$3.8	\$3.8	\$3.8	\$3.8	\$3.8	0.0%
State	2.0	2.0	2.0	2.0	2.0	0.0%
Total, TANF	\$5.8	\$5.8	\$5.8	\$5.8	\$5.8	0.0%

SOURCES: Legislative Budget Board; Texas Education Agency.

**FIGURE 27
ADULT BASIC EDUCATION ENROLLMENT BY PROGRAM, FISCAL YEARS 2008 TO 2012**

PROGRAM	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
WIA Title II-ABE, ASE, ESL, English Literacy and Corrections	102,382	115,788	104,058	96,566	93,612	(8.6%)
TANF	10,591	11,129	11,688	10,072	11,659	10.1%

SOURCES: Legislative Budget Board; Texas Education Agency.

by 8.6 percent during the five-year period. According to TEA, the enrollment decline resulted from WIA-funded programs implementing a case management approach to serving adults, rather than open enrollment. Participation in the TANF-funded ABE program increased by 10.1 percent while funding stayed constant.

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 U.S. Department of Education 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 28 shows outcome performance measures for all adult education programs from fiscal years 2008 to 2012. The entered employment measure reflects the percentage 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 66.7 percent in fiscal year 2009 and then decreased to 47.0 percent in fiscal year 2012. The high school completion measure reflects the percentage of adult education students who obtained a high school diploma, obtained a state-recognized equivalent, or achieved a passing score on the GED tests. The completion rate increased to 89.0 percent in fiscal year 2009 then fell to 64.0 percent in fiscal year 2012. The entered postsecondary

education or training measure indicates the percentage of adult education students who enrolled in a postsecondary educational or occupational skills training program. This measure increased to 44.7 percent in fiscal year 2009 and then decreased to 21.0 percent in fiscal year 2012.

DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

The Department of Assistive and Rehabilitative Services (DARS) provides services for youth and adults 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 combination of state and federal funds.

The Vocational Rehabilitation-General program helps people with disabilities prepare for, find, and keep jobs by removing or mitigating impediments consumers face in their careers. The program has expanded its focus to provide services to the state’s business community. According to DARS, this dual customer approach will provide people with disabilities more opportunities for employment. At the same time, businesses will have access to services that can help them lower recruiting and training costs, take advantage of tax incentives and benefits, and reduce turnover.

Qualified vocational rehabilitation counselors work in partnership with public schools to provide services that help students with disabilities transition from school to work. DARS counselors coordinate with other Texas Health and Human Services Commission (HHSC) programs and community partners to ensure that long term services and

**FIGURE 28
ADULT BASIC EDUCATION PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012**

MEASURE	2008	2009	2010	2011	2012
Participants Entered Employment	66.2%	66.7%	60.0%	45.0%	47.0%
Participants Completed High School	88.6%	89.0%	78.2%	48.0%	64.0%
Participants Entered Postsecondary Education and Training	31.3%	44.7%	37.8%	30.0%	21.0%

SOURCES: Legislative Budget Board; Texas Education Agency.

supports are in place so that consumers maintain employment once vocational rehabilitation services are complete.

The Vocational Rehabilitation-Blind 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. Transition services facilitate the ability of individuals with visual impairments 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 people with disabilities 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 the state’s per capita income. States must provide a 21.3 percent match and maintain spending at the expenditure level from the fiscal year two years earlier. Funds used for vocational rehabilitation

services may be either contracted or provided directly by the agency.

Figure 29 shows program expenditures for fiscal years 2008 to 2012. During the five-year period, expenditures for the Vocational Rehabilitation-General Program increased by 12.3 percent and 4.4 percent from federal and state sources, respectively. According to DARS, this expenditure growth was due to increased grant funding. During the same period, expenditures for the Vocational Rehabilitation-Blind Program increased by 10.3 percent and 4.0 percent from federal and state sources, respectively.

CONSUMER SERVICE LEVELS

Figure 30 shows the number of consumers served by the two DARS programs from fiscal years 2008 to 2012. The agency served a much higher number of consumers in its general vocational program than in its program for blind and visually impaired individuals—83,930 compared to 10,486. Both programs experienced service fluctuations during the five-year period.

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 performance levels must develop a program improvement plan outlining specific actions to improve their performance.

**FIGURE 29
DARS VOCATIONAL REHABILITATION PROGRAMS PROGRAM EXPENDITURES METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012 (IN MILLIONS)**

PROGRAM/METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Vocational Rehabilitation – General						
Federal	\$160.8	161.9	180.0	173.0	180.5	12.3%
State	42.2	41.5	44.4	43.8	44.1	4.4%
Other	1.1	1.1	0.3	0.4	0.6	(43.9%)
Total, Vocational Rehabilitation – General	204.1	204.4	224.6	217.2	225.2	10.3%
Vocational Rehabilitation – Blind Services						
Federal	\$37.9	\$41.0	\$45.5	\$41.1	\$41.8	10.3%
State	9.2	10.0	10.1	9.9	9.6	4.0%
Other	0.1	<0.0	<0.0	<0.0	<0.0	(55.1%)
Total, Vocational Rehabilitation – Blind Services	\$47.2	\$51.0	\$55.6	\$51.0	\$51.4	8.9%

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

FIGURE 30
DARS VOCATIONAL REHABILITATION PROGRAMS CONSUMERS SERVED, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Vocational Rehabilitation-General Consumers Served	84,433	85,998	89,259	87,904	83,930	(0.6%)
Vocational Rehabilitation-Blind Services Consumers Served	9,688	10,144	10,042	10,426	10,486	8.2%

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

Figure 31 shows the percentage of consumers served by each program that entered or retained employment for fiscal years 2008 to 2012. The measure reflects the percentage of clients exiting the program after maintaining employment for at least 90 days. For the general rehabilitation program, this percentage remained relatively constant, at approximately 58.0 percent, during the five-year period. For the blind rehabilitation division, this percentage declined slightly during the five-year period, from 72.8 percent in fiscal year 2010 to 69.6 percent in fiscal year 2012.

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, résumé 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.

TVC 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 Hazelwood 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.

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. TVC’s program specialists assist veterans with job applications, résumé 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 assists 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.
- Veteran Business Representatives—educates businesses on the benefits of hiring veterans. They also act on behalf of employers to recruit qualified veterans for new employment opportunities.

FIGURE 31
DARS VOCATIONAL REHABILITATION PROGRAMS PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012
General Consumers Entered or Retained Employment	58.0%	56.9%	56.9%	58.4%	58.0%
Blind Services Consumers Entered or Retained Employment	72.8%	70.2%	67.7%	73.6%	69.6%

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

- Vocational Rehabilitation and Employment Liaisons—provides intensive services to service connected disabled Veterans attending training through the VA’s VR&E program.
- 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, TVC 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 onsite 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, 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 the VES program comes from a federal grant administered by the U.S. Department of Labor, Veterans’

Employment and Training Services (DOL-VETS). The federal funding allocation is based on the number of unemployed veterans in each state compared with the number of unemployed veterans from other states. 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 32 shows expenditures by program for fiscal years 2008 to 2012. Expenditures for the VES program declined in fiscal years 2011 and 2012. This is attributable to Texas’ improving economic conditions compared to other states. Expenditures for the Veterans Education program grew significantly due to an increase of state appropriations and a 12.6 percent increase in federal funding, with the result that the fiscal year 2012 amount was 33.7 percent higher than fiscal year 2008.

PROGRAM SERVICE LEVELS

Figure 33 shows each program’s service levels from fiscal years 2008 to 2012. The number of veterans served by the VES program fluctuated from fiscal years 2008 to 2012. Beginning in 2010, DOL-VETS requires all state veteran employment services to focus more of their time on veterans with disabilities or other barriers such as homelessness. Because these veterans take more time to serve, the number of total veterans receiving intensive services increased. Additionally, TVC is making an effort to contact veterans who registered in the state’s employment service online system, Work in Texas (WIT). Participants in the education program increased in line with higher funding levels.

**FIGURE 32
TEXAS VETERANS COMMISSION PROGRAM EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012**

PROGRAM/METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Veteran Employment Services						
Federal	\$8,881,493	\$9,164,827	\$9,312,385	\$8,863,612	\$8,739,642	(1.6%)
State	0	0	105,089	104,054	107,836	NA
Total, Veteran Employment Services	\$8,881,493	9,164,827	\$9,417,474	\$8,967,666	\$8,847,478	(0.4%)
Veterans Education Services						
Federal	\$720,550	\$774,737	\$813,902	\$791,325	\$811,262	12.6%
State	77,130	77,130	256,436	238,436	255,348	231.1%
Total, Veterans Education Services	\$797,680	\$851,867	\$1,070,338	\$1,029,761	\$1,066,610	33.7%

Note: NA = Not applicable
Sources: Legislative Budget Board; Texas Veterans Commission.

FIGURE 33
TVC EMPLOYMENT SERVICES AND EDUCATION PROGRAMS VETERANS AND PARTICIPANTS SERVED, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Employment Services-Veterans Served	103,652	92,937	76,822	86,751	82,010	(20.9%)
Education Program Average Participants	24,841	24,112	25,000	34,500	34,500	38.9%

SOURCES: Legislative Budget Board; Texas Veterans Commission.

ACCOUNTABILITY

DOL-VETS oversees the VES program. DOL-VETS staff monitors the program through performance measures reporting and desk audits. VES performance measure targets are negotiated annually between TVC and DOL-VETS. The agency submits performance measure data to DOL on a quarterly basis. The VA oversees the Veterans Education program.

Figure 34 shows performance outcomes for the VES program for fiscal years 2008 to 2012. The percentage of veterans who are employed within one calendar quarter of exiting the programs fluctuated during the five-year period then declined to a projected 55.0 percent in fiscal year 2012. The percentage of veterans who retained employment for six months after exiting the program showed a slightly lower decrease, ending at a projected 78.0 percent in fiscal year 2012.

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 several major federal funding sources, including 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 and labor exchange services. To ensure an efficient delivery of workforce development services, TWC partners with 28 local workforce development boards (LWDBs) and their approximately 200 Workforce Solutions 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 program; the Supplemental Nutrition Assistance Employment and Training (SNAP E&T) program; the Wagner-Peyser Employment Services (ES) program, and the Trade Adjustment Act Services (TAA) program. In addition, LWDBs administer child care assistance with Child Care Development Fund funding for low-income families in order to enable parents to work or to attend workforce training and education activities. All 28 LWDBs administer and contract with local providers for direct customer services.

TWC PROGRAMS

The WIA-Adult program serves employers and adult job-seekers. WIA-Adult services include job search assistance, introduction to job search tools, labor market information, computer access, and résumé writing courses, financial planning and referral to vocational skills training. WIA-Adult also includes support services such as child care, transportation, and work-related and training expenses that are provided in order for customers to participate in a WIA-funded activity. WIA-Adult core, intensive, and training services target low income and disabled individuals. LWDBs, however, may provide additional funding in order to extend eligibility to individuals that would not otherwise receive those services.

FIGURE 34
TVC EMPLOYMENT SERVICES PROGRAM PERFORMANCE OUTCOMES, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012
Veterans Entered Employment	68.0%	68.9%	69.7%	55.0%	55.0%
Veterans Retained Employment	84.1%	86.8%	81.7%	78.0%	78.0%

SOURCES: Legislative Budget Board; Texas Veterans Commission.

The WIA-Dislocated Worker program serves job-seekers categorized as dislocated workers because they were laid off during a plant closure or similar event, or are displaced homemakers. WIA-Dislocated Worker services include job search assistance, introduction to job search tools, labor market information, computer access, and 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 WIA-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. LWDB's help coordinate these training programs.

The WIA-Youth 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. WIA-Youth 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 Temporary Assistance for Needy Families (TANF) Choices program provides current and former recipients of, and applicants for, TANF with services necessary to obtain employment that will assist them with becoming self-sufficient while also meeting the needs of local employers. TANF Choices serves very low income parents with children under age 19. Services include job search and job readiness classes, basic skills training, education and vocational training, and support services. TWC emphasizes the importance of meeting participation requirements through actual paid employment where possible. Support services such as child care, transportation, and work-related expenses are available to customers who require 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 the 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 foreign 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 résumé writing, interviewing skills, and job hunting techniques. TWC's website, 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 activities that will assist individuals with becoming self-sufficient. The key components of SNAP E&T are job search and job readiness activities, work experience, and non-vocational and vocational education/training. WNAPE&T also provides participants with support services such as 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 layoff 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, 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, workplace-based training at non-profit organizations and governmental entities such as school districts, cities, counties, and state and federal agencies. Participants earn wages while they learn new skills and provide valuable community services. The goal of SCSEP is to assist participants to develop the skills for obtaining and continuing unsubsidized employment and financial independence.

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 two 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 (SSF) assists businesses by designing, financing, and implementing customized job training programs. In the SSF 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. SSF's goal is to assist recipients of TANF, SNAP, or parents (including a noncustodial parent) with annual wages at or below \$37,000 to obtain training and employment, and become independent of government financial assistance.

The Skills Development Fund (SDF) helps businesses enhance skills of new and existing workers. 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, to develop customized training for its workforce and close existing skills gaps. TWC awards SDF grants to these partnerships, while 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. 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, in order to find employment.

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

- TEA and THECB—TWC collaborates with these agencies on strategic planning for education and training to meet state workforce needs. TWC provides them with labor market and career information to assist with developing their career and technical education programs.
- Texas State Technical College, 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 OAG to provide job-placement assistance for noncustodial parents which enables them to pay child support.
- TDCJ and TJJD—TWC partners with these agencies to receive information that assists in serving individuals released from incarceration by providing them re-employment services and helping the offender obtain important documents, such as fidelity bonds, for employment.
- Texas Veterans Commission (TVC)—as the state's designated recipient of the Jobs for Veterans Act

State Grant, TVC is a required partner within each Local Workforce Development Area (LWDA). The Veterans Employment Representatives, funded by this grant through the U.S. Department of Labor Veterans Employment And Training Service, provide a full range of employment services to veterans as well as qualified spouses. In addition, 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.

- TWIC—TWC serves as a member of the Council and assists with statewide workforce development strategies and goals. It also participates in TWIC activities that coordinate the delivery of workforce development program services, and which evaluate their effectiveness.
- Texas Health and Human Service Commission (HHSC): TWC works with HHSC to provide employment and training services through their TANF and SNAP programs. 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

Allocations from the federal government to TWC are governed by federal law and rules, while allocations from TWC to LWDAs are dictated by TWC administrative rules. **Figure 35** 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 LWDAs, and how TWC allocates funding to LWDAs.

Several TWC programs allocate funding to other entities besides LWDBs. State grants from the U.S. Department of Labor for the Senior Community Service Employment Program are awarded based on customer slots for each state. TWC contracts with a non-profit organization, Experience Works, Inc., for service delivery. Experience Works, Inc. then partners with LWDBs for employment and other services to older workers. The Self-Sufficiency Fund (SSF) program receives federal funding from the state’s TANF grant. TWC 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, TWC allocates money to independent school districts and community colleges that contract with training providers. These providers, which include employer associations and labor unions, train eligible apprentices. As noted previously, TWC awards Skills Development Fund (SDF) grants to community and 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 36 shows TWC program expenditures by funding source from fiscal years 2008 to 2012. Expenditures for WIA-Adult, WIA-Dislocated Worker, and WIA-Youth have significantly decreased since fiscal year 2008; however, fiscal years 2009 and 2010 expenditures did not decline due to the infusion of funding provided by the American Reinvestment and Recovery Act (ARRA). Combined state and federal funding has increased for four programs: TANF Choices, ES, Apprenticeship, and SDF. ARRA provided a significant funding increase for the ES program in fiscal year 2010—funding from this source contributed \$63.0 million compared to \$37.8 million from conventional federal funding. Total ES expenditures for that year were \$116.5 million. By fiscal year 2012, total ES expenditures had fallen to \$62.6 million.

TWC CUSTOMER SERVICE LEVELS

Figure 37 shows customer service levels for TWC programs from fiscal years 2008 to 2012. Service levels for five programs decreased by more 20 percent during the five-year period for a variety of reasons. Some programs saw funding decreases, while others saw reductions in demand during the recession

**FIGURE 35
TWC PROGRAMS—FEDERAL TO STATE ALLOCATIONS AND STATE TO LOCAL WORKFORCE DEVELOPMENT BOARD AREA
ALLOCATIONS, FISCAL YEAR 2012**

PROGRAM	FEDERAL TO STATE ALLOCATION	TWC TO LWDA ALLOCATION
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.	For fiscal year 2012, TWC allocated 95 percent of the WIA Adult allotment to LWDA's. The remaining 5 percent of the allotment was retained at the state level for program administration and discretionary statewide activities. Equally apportioned based on the LWDA'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.	For fiscal year 2012, TWC allocated 94 percent of the WIA Dislocated Worker allotment to LWDA's. One percent of the allotment was reserved for Rapid Response activities, and the remaining 5 percent was retained at the state level for program administration and discretionary statewide activities. Twenty percent based on the LWDA'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.	For fiscal year 2012, TWC allocated 95 percent of the WIA Youth allotment to LWDA's. The remaining 5 percent of the allotment was retained at the state level for program administration and discretionary statewide activities. Equally apportioned based on the LWDA'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 LWDA's to serve individuals eligible for Trade Adjustment Act training.
Employment Services		Two-thirds based on the LWDA's share of the civilian labor force statewide; one-third based on the LWDA's share of the number of unemployed adults statewide.
SNAP Employment and 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.	Based on the LWDA's 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 LWDA's share of families receiving TANF benefits that have mandatory work requirements statewide.

SOURCES: Legislative Budget Board; Texas Workforce Commission.

FIGURE 36
TEXAS WORKFORCE COMMISSION PROGRAM EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012
(IN MILLIONS)

PROGRAM/METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
WIA-Adult						
Federal-WIA	\$88.7	\$65.7	\$59.5	\$51.4	\$53.5	(39.7%)
Federal-ARRA	0.0	29.4	12.5	0.0	0.1	(100.0%)
State	0.1	0.0	0.1	0.0	0.0	(100.0%)
Total, WIA Adult	\$88.9	\$95.1	\$72.1	\$51.5	\$53.6	(39.7%)
WIA-Dislocated Worker						
Federal-WIA	\$74.1	\$57.0	\$54.2	\$50.9	\$60.6	(18.2%)
Federal-ARRA	0.0	45.7	1.0	0.0	0.0	0.0%
Total, WIA-Dislocated Worker	\$74.1	\$102.7	\$55.2	\$50.9	\$60.6	(18.2%)
WIA-National Emergency Pilot Grant						
Federal-Grant	\$4.2	\$23.6	\$12.9	\$12.2	\$6.6	55.7%
Federal-ARRA	0.0	0.0	4.5	0.5	0.1	N.A
Total, NEPG	\$4.2	\$23.6	\$17.5	\$12.7	\$6.7	58.1%
WIA-Youth						
Federal-WIA	\$60.2	\$52.7	\$48.8	\$50.2	\$50.2	(16.7%)
Federal-ARRA	0.0	69.7	0.0	0.0	0.0	0.0%
Total, WIA-Youth	\$60.2	\$122.4	\$48.8	\$50.2	\$50.2	(16.7%)
TANF Choices						
Federal	\$84.9	\$84.7	\$91.2	\$84.9	\$87.9	3.4%
State	6.4	6.0	7.9	7.8	6.8	6.7%
Total, TANF Choices	\$91.3	\$90.7	\$99.1	\$92.8	\$94.7	3.7%
Employment Services						
Federal-WIA	\$37.5	\$36.2	\$37.8	\$33.6	\$44.6	19.1%
Federal-ARRA	0.0	7.4	63.0	16.3	5.8	N.A.
State	2.9	2.4	15.7	14.5	12.2	318.9%
Total, Employment Services	\$40.4	\$46.0	\$116.5	\$64.5	\$62.6	55.1%
SNAP-Employment and Training						
Federal	\$14.6	\$13.1	\$15.7	\$14.4	\$18.4	26.3%
State	3.8	3.9	4.2	4.2	4.2	9.3%
Total, SNAP Employment and Training	\$18.4	\$17.0	\$19.9	\$18.5	\$22.6	22.7%
Trade Adjustment Act Services, Federal						
	\$7.6	\$11.0	\$21.0	\$17.2	\$12.4	62.2%
Senior Community Service Employment Program						
Federal-SCSEP	\$5.8	\$6.3	\$9.3	\$4.9	\$4.9	(15.0%)
Federal-ARRA	0.0	1.3	0.0	0.0	0.0	0%
Total, SCSEP	\$5.8	\$7.6	\$9.3	\$4.9	\$4.9	(14.8%)

FIGURE 36 (CONTINUED)
TEXAS WORKFORCE COMMISSION PROGRAM EXPENDITURES BY METHOD OF FINANCE, FISCAL YEARS 2008 TO 2012
(IN MILLIONS)

PROGRAM/METHOD OF FINANCE	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
Apprenticeship Program						
Federal	\$0.1	\$0.5	\$1.1	\$1.1	\$1.1	1.4%
State	1.6	1.7	1.7	1.7	1.7	<0.0%
Total, Apprenticeship	\$1.8	\$2.1	\$2.8	\$2.8	\$2.8	59.8%
Skills Development Fund						
Federal-ARRA	\$0.0	\$0.0	\$10.0	\$0.0	\$0.0	0.0%
State	24.1	24.6	32.9	18.4	24.8	2.7%
Total, Skills Development Fund	\$24.1	\$24.6	\$42.9	\$18.4	\$24.8	2.7%
Self Sufficiency Fund, Federal	\$1.4	\$1.2	\$0.1	\$0.2	\$5.9	316.8%
Grand Total	\$418.2	\$544.1	\$505.1	\$384.6	\$401.8	(3.9%)

SOURCES: Legislative Budget Board; Texas Workforce Commission.

FIGURE 37
TWC CUSTOMERS SERVED BY PROGRAM, FISCAL YEARS 2008 TO 2012

PROGRAM	2008	2009	2010	2011	2012	FIVE-YEAR PERCENTAGE CHANGE
WIA-Adult	37,104	31,195	33,297	21,297	21,824	(41.2%)
WIA-Dislocated Worker	12,114	16,977	20,008	13,744	11,068	(8.6%)
WIA-Youth	16,081	32,834	18,399	12,034	11,536	(28.3%)
Employment Services	1,416,393	1,794,548	1,826,337	1,651,886	1,496,475	5.7%
Trade Adjustment Act	3,549	6,477	6,699	5,159	3,346	(5.7%)
Senior Community Service Employment Program	1,332	1,504	1,731	1,522	927	(30.4%)
TANF Choices	49,774	43,036	48,733	47,785	43,866	(11.9%)
Apprenticeship	3,889	4,080	4,146	4,172	3,855	(0.9%)
SNAP-Employment and Training	31,602	27,473	38,544	53,519	49,579	56.9%
Self-Sufficiency Fund	2,843	1,639	1,078	50	123	(95.7%)
Skills Development Fund	24,256	28,851	35,603	31,208	16,946	(30.1%)
All Job Seekers	1,478,401	1,870,381	1,917,478	1,729,517	1,548,539	4.7%

NOTES: Total Job Seekers reflects an unduplicated count of all job seekers served by TWC programs, but does not reflect the sum of all programs because customers can participate in more than one program.

SOURCES: Legislative Budget Board; Texas Workforce Commission.

which has not yet fully picked back up. The TANF Choices program saw the number of customers served decrease by approximately 12 percent; however, this reduction was considerably less than the reduction in the overall Average Monthly TANF Caseload (which saw a 16.7 percent reduction during the five-year period). Further, the portion of the TANF caseload which was “exempt” from work participation activities increased during the period, meaning

that a smaller portion of the caseload was required to work and participate in the Choices program. During 2012, TWC worked with the LWDBs to identify program changes to emphasize employment outcomes rather than program process, and TWC expects improved outcomes in the next several years.

ACCOUNTABILITY

TWC is accountable for its workforce program results to TWIC, as are several other agencies that constitute the state’s workforce development system. TWIC 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 TWIC 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. TWIC member agencies, including TWC, report their actions and performance outcomes annually, which are discussed in TWIC’s annual evaluation report.

Figure 38 shows performance outcomes for each TWC program based on the percentage of customers who obtained employment one calendar quarter following exit from the program. Employment outcomes varied considerably across programs, reflecting the different populations being served and nature of the programs. The entered employment measure decreased in almost all programs until fiscal year 2011. According to TWC, the recession made it harder for job seekers to find employment. Performance improved for some programs in fiscal year 2012, and TWC expects continued improvement as the state’s economy and labor market strengthen.

FIGURE 38
TWC PERFORMANCE OUTCOMES BY PROGRAM PERCENTAGE OF CUSTOMERS WHO ENTERED EMPLOYMENT, FISCAL YEARS 2008 TO 2012

MEASURE	2008	2009	2010	2011	2012
WIA-Adult	85.5%	84.2%	77.7%	75.3%	75.6%
WIA-Dislocated Worker	87.8%	87.3%	80.7%	78.2%	80.2%
WIA-Youth	72.4%	73.6%	59.4%	69.9%	69.4%
Employment Services	80.6%	80.0%	72.0%	66.9%	68.9%
Trade Adjustment Act	84.7%	85.3%	71.3%	74.6%	73.3%
Senior Community Service Employment Program	42.0%	39.5%	39.2%	41.9%	41.5%
TANF Choices	85.1%	84.8%	80.9%	78.1%	78.4%
SNAP-Employment and Training	80.9%	84.4%	82.8%	83.2%	87.3%
Self-Sufficiency Fund	94.1%	83.7%	75.3%	73.9%	80.0%
Skills Development Fund	96.2%	96.1%	88.1%	96.3%	97.1%
All Job Seekers	80.5%	79.9%	71.8%	66.9%	69.1%

SOURCES: Legislative Budget Board; Texas Workforce Commission.