**Instructions for Completing the In-Demand Industries,
In-Demand Occupations, and Target Occupations Lists Templates**

Overview

This attachment provides instructions and suggestions for analyzing and completing Local Workforce Development Boards' (Boards) In-Demand Industries, In-Demand Occupations, and Target Occupations List templates.

The Texas Workforce Commission (TWC) recommends that Boards complete their lists in the following order:

1. In-Demand Industries
2. In-Demand Occupations
3. Target Occupations

Labor Market Information Tools

Several labor market information tools are available to help with Boards' required analysis and documentation.

For the In-Demand Occupations and Target Occupations Lists, Boards may use the following free online tools, but other tools also may be used:

- TWC's Labor Market Information (Texas LMI) website (https://texaslmi.com/)—Select Popular Downloads at the top of screen, then the Projections tab. Scroll to the Occupational Projections section (alphabetical order) to see occupational projections.
- Texas LMI—Select Popular Downloads at the top of screen, then the Wages tab. Click on WDA Wages by Occupation to access 2019 Occupational Employment Statistics (OES) Wage Data.
- Texas Career Check, https://texascareercheck.com/, provides occupational profiles.
- Labor Insight Burning Glass (https://laborinsight.burning-glass.com/us#loginwindow) offers related occupations based on skills in demand.
- O*NET Online (Occupational Information Network), http://www.onetonline.org/, provides national-level data for occupations.

Some Texas LMI information is available in Attachment 2, Industries and Occupations References, in the All WDA Occupational Wages 2019 tab.

During the transition to the 2018 Standard Occupational Classification (SOC) system, OES estimates will be based on a hybrid structure that is a combination of the 2010 SOC and the 2018 SOC. A spreadsheet showing the list of May 2019 and May 2020 occupations and the occupations on which they are based is available in Attachment 2 and at http://www.bls.gov/oes/oes_2019_hybrid_structure.xlsx.

For the In-Demand Industries List, Boards may use the following tools, but other tools also may be used:

- Texas LMI (https://texaslmi.com/)—Select Popular Downloads at the top of screen, then the Projections tab. Scroll to the Industry Projections section (alphabetical order) to see industry projections.
- Labor Insight Burning Glass (https://laborinsight.burning-glass.com/us#loginwindow) offers industry information.
- Attachment 2 contains:
  - ➢ a 2017 North American Industry Classification System codes tab; and
  - ➢ two Governor's Industry Cluster reference tabs.
- TWC's Labor Analysis website (https://texaslaboranalysis.com/) provides tools for analyzing labor demand. Select Demand under Create a Report, then select Industry Detail under Report Type and make selections for Region, Industry, and Date Range.

Use of these labor market information tools will:

- provide a useful amount of valid, comparable information on in-demand industries, in-demand occupations, and target occupations;
- help more accurately describe workforce needs and activities statewide; and
- promote knowledge exchange across the workforce system.

TWC staff is available to provide guidance on the tools and their use in the selection process.

General Guidelines

The Board determines and approves the occupations and industries for inclusion, and TWC reviews the lists for accuracy and content. Boards are required to retain their final analyses for review. Boards may use additional labor market tools, studies, and resources to assist with analysis and are required to cite all data sources used for the selection process.

North American Industry Classification System (NAICS)
To ensure that they have universal meaning to all Texas workforce system stakeholders, industries are identified by a four-digit NAICS code. NAICS codes can be found at https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017 and in Attachment 2.

Some of the major four-digit NAICS industries will be confidential in local workforce development area (workforce area) projections, because in some cases Bureau of Labor Statistics (BLS) guidelines do not allow for the release of confidential data to non-BLS agents due to the nature of the industry or a lack of voluntary survey responses. If this is the case, Boards may instead use a three-digit local industry identifier or the four-digit industry code at the statewide level. For example, for NAICS 6221-General Medical and Surgical Hospitals, the Board may use either local code 622-Hospitals or statewide-level code 6221-General Medical and Surgical Hospitals to capture the industry demand.

Standard Occupational Classification (SOC) Code
To ensure that occupations have universal meaning to all Texas workforce system stakeholders, all occupations must be identified by a six-digit SOC code.

Additional Rationale and Local Wisdom

A crucial component of the selection process is workforce area local wisdom and additional information that cannot be captured by other data sources. For example:

- an occupation or industry new to an area will not be reflected in employment projections, because the projections are based on existing positions in the workforce area; and
- some occupations will not appear at the top of one industry but will appear in many industries and can be selected for that reason.

For each template, provide a short summary of any local wisdom or additional rationale in the requested column. If extra space is needed, please include additional pages as part of the final report. Examples of local wisdom are included at the end of this document.

Completion Process

Boards are required to use the templates in Attachment 3, In-Demand Industries, In-Demand Occupations, and Target Occupations List Templates, for completion of the lists. This ensures a uniform reporting process so that comparable information is collected from all Boards.

As part of the final analysis, Boards are required to retain the following information:

- A summary of how local employers, including small employers, were involved in the selection process
- A summary of how other local industries, economic development entities, and other organizations were involved in the selection process

In-Demand Industries

Step 1: Identify the Board's high-growth, in-demand industries by NAICS code, using analysis of industries, sectors, and clusters.

In-demand industries may be related to, but are not limited to, the governor's industry clusters. Please refer to Attachment 2, Industries and Occupations References, to determine whether an in-demand industry matches a governor's industry cluster.

Boards are required to provide the labor market data and criteria used in making in-demand industry choices to show why the industry is on the list.

If available, include additional rationale, local wisdom, and other explanations for including an industry on the list. This may include, but is not limited to, local knowledge about the importance of an in-demand industry in the workforce area and information gained from local or regional labor market or industry studies, industry or economic development partners, or employer surveys.

In-Demand Occupations

Step 2: Identify the Board's in-demand occupations by SOC code, using analysis of occupational employment indicators.

Boards are required to provide the labor market data and criteria used to identify in-demand occupations.

If available, include additional rationale, local wisdom, and other explanations for including an

in-demand occupation on the list. This may include, but is not limited to, local knowledge about the importance of an in-demand occupation in the workforce area and information gained from local or regional labor market or industry studies, industry or economic development partners, or employer surveys.

Target Occupations

Step 3a: Identify the target occupations for which the Board can dedicate Workforce Innovation and Opportunity Act (WIOA) training resources. Indicate whether the occupation is a career pathway.

Once a Board has conducted its labor market analyses, the Board has a solid understanding of the relative importance of key occupations within the workforce area's in-demand industries, based on important labor market indicators. Having explored the impact of using different indicators to describe and rank occupations, the Board has a good idea of its preferred ranking or cutoff criteria for purposes of selecting target occupations.

The 2018–2028 occupational projections include typical education indicators for each occupation. However, as a national education indicator, it may not always be accurate in individual workforce areas. For instance, Registered Nurse will be listed as requiring a bachelor's degree in the new projections; however, the Texas license for that occupation requires an associate degree. Each Board can determine whether the required education is appropriate for that workforce area. For vocational occupations, there may be licensing requirements, but the typical education requirement is likely to be listed as "high school" instead of "postsecondary, non-degree award."

Step 3b: Answer the questions related to Eligible Training Providers (ETPs).

After developing the Target Occupations List, Boards are required to answer the questions related to ETPs. The answers related to ETPs have no bearing on an occupation's inclusion on the Target Occupations List but are essential in relation to training and overall workforce system efforts.

For specific target occupations, Boards are required to retain the following information:

- How the Board assesses entry-level job skills and career ladders for which training may be provided and supported by WIOA funds
- How the Board assesses target occupations against available training programs offered by ETPs, where there are gaps in training, and how the Board will identify and pursue potential providers to participate as ETPs

The Board's target occupations may include occupations not related to the Board's in-demand industries. In case of review, if the Board includes an occupation on its Target Occupations List that is not associated with one of the Board's in-demand industries, the Board is required to justify that the target occupation is in demand because it is needed across many industries.

Boards are required to provide the labor market data and criteria used in making the occupational targeting choices to show why a target occupation is on the list.

Additional rationale, local wisdom, and other explanations for targeting an occupation may be included, such as information from the following:

- Surveys of employers

- Local or regional labor market or occupational studies
- Industry, economic development, or professional/occupational organization partners

Sample Language for Local Wisdom or Employer Validation

Local wisdom is an important source of information on in-demand industries, in-demand occupations, and target occupations. Language describing these local contributions does not have to be lengthy to explain why the occupation or industry is being included. The following are examples of language explaining local wisdom or employer validation. (Boards may provide more detailed responses as necessary.)

- "Scott & White Hospital has committed to hiring 20 critical care nurses. We have selected Registered Nurse as a generic title for our Target Occupations List, with the expectation of providing critical care nurse training through Austin Community College."

- "Last year, we placed 90 percent of LVN/LPN graduates within 90 days of program completion. We expect continued demand from regional hospitals for LVNs and similar placement success."

- "The Lubbock Chamber of Commerce (Chamber) has commitments for three new data centers within the next two years. The Chamber expects these centers to need 75 customer service representatives at prevailing wages of greater than $15 per hour. Half of the new positions will require Spanish-language skills."

- "The Exxon/Mobil Baytown refinery will double its capacity over the next five years. It is badly in need of American Welding Society–certified welders and braziers. Additional training slots have been added at San Jacinto Community College, and the mayor's office is starting a high school recruiting program."

- "Our region has very high employment concentrations in the advanced manufacturing cluster, and both long-term projections and three area firms have confirmed the need for robotics technicians, which fall under the SOC occupation Electro-Mechanical Technicians."

- "A survey conducted by the university's Business Research department indicated that there is an extensive demand for medical secretaries. Vocational training will emphasize computer skills, transcription skills, and medical vocabulary, all of which were reported in the survey as critical skills."

- "This occupation is one of the 20 high-growth, in-demand occupations identified in our Board's joint labor market study with neighboring Boards. The methodology and data in the report meet the Target Occupations List criteria by addressing wages, current and projected demand, and regional location quotient, along with other factors. We are collaborating with our neighboring Boards on services coordination and joint initiatives that address these target occupations, as well as target occupations specific to our Board that are not included in the regional list. The regional study report is attached to our submission."

- "Our Board conducted labor market analyses using criteria for the central, heavily urbanized parts and rural parts of our workforce area. This is a target occupation for the rural parts of

the workforce area, associated with the rural in-demand industry. The occupation is the third most frequent type of occupational job listing posted through the Board's rural Workforce Solutions Offices. Our rural development authority recently designated it an area of focus for employment growth and rural development."