BCY'25 and BCY'26 Local Workforce Development Board Targets Discussion Paper

3 Background

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- 4 The Workforce Innovation and Opportunity Act (WIOA) requires the Texas Workforce Commission
- 5 (TWC) to negotiate two years of targets using a statistical model based on the Local Workforce
- 6 Development Boards' (Boards) best available assumptions of the case mix and economy. Then, at the end
- 7 of each year, the model is applied to the Boards' actual case mix and economy.
- 8 WIOA §116(c) identifies the following 15 measures to be used for local Board performance
- 9 accountability:

Adult	Dislocated Worker (DW)	Youth
Employed Q2	Employed Q2	Employed/Enrolled Q2
Median Earnings Q2	Median Earnings Q2	Median Earnings Q2
Employed Q4	Employed Q4	Employed/Enrolled Q4
Credential Rate	Credential Rate	Credential Rate
Measurable Skill Gains (MSG)	Measurable Skill Gains (MSG)	Measurable Skill Gains (MSG)

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- 11 States are required to implement an objective statistical model for use in local negotiations. In previous
- 12 years negotiations, TWC used adapted versions of DOL's statistical adjustment models (SAMs), and
- while these models perform well at the state level, they tended to produce targets greater than 100 percent
- or less than 0 percent and even negative earnings values when applied to Board level data.
- 15 This is the first year TWC will be using models developed using Texas Board level data by TWC's
- 16 Information Innovation & Insight (I|3) staff, in consultation with the Workforce Development Division
- 17 (WDD), to negotiate targets for all the required 15 measures. These performance assessment models
- 18 (PAMs) more effectively account for specific demographic, social, and economic conditions in Texas.
- 19 The negotiated targets will be applied to performance being reported in Board Contract Years 2025
- 20 (BCY'25) and 2026 (BCY'26). Negotiations last occurred in the wake of the COVID-19 pandemic. Data
- from this period was heavily influenced by the pandemic, particularly by higher unemployment rates and
- 22 unemployment insurance (UI) claims; however, the Texas economy and labor market has since recovered.
- While there are continued concerns of potential economic issues related to efforts to control inflation and
- 24 high prices reversing economic and job growth, the PAMs can account for these factors.

25 Negotiation Process

- 26 TWC's Information Innovation & Insight (I|3), in coordination with the Workforce Development
- 27 Division (WDD), has responsibility for developing and applying statistical models for WIOA
- 28 negotiations.
- 29 The negotiation process is conducted jointly between I|3 and WDD, with I|3 presenting the model and
- 30 target proposals to Boards, providing a tool for Boards to use to evaluate their performance. Boards have
- 31 the opportunity to respond with counterproposals for instances in which a Board is concerned about one
- or more specific target proposals. I|3 then consolidates the responses and makes recommendations to
- WDD based on whether the Boards provided evidence to support their target counterproposal. If the

- 1 Board's justification does not meet that threshold, staff replies to either rebut the argument, or, in some
- 2 instances, ask that the Board provide more details or evidence.
- 3 This occurs when the Board's request for an alternate target is based on factors that the statistical models
- 4 already account for, such as citing how Boards serve more individuals who are statistically shown to have
- 5 significant barriers to employment and are considered harder to serve. The models address such cases and
- 6 allows for shifts in case mixes, whether toward or away from working with a population with greater
- 7 challenges.

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Developing the Performance Assessment Models

- 9 Due to the limitations associated with adapting DOL's statistical models to the Board level data and the
- 10 issues that approach presented during target setting, I|3 developed Texas local area specific statistical
- models. These performance assessment models (PAMs) perform better than the previous approach,
- providing predicted performance that is more accurate and reliable. Additionally, minimum, and
- maximum targets are set for each measure to further ensure that Board targets are both high enough to
- enable TWC to reach the statewide WIOA targets while also being reasonable given each Board's case
- mix and economic conditions. The minimum and maximum levels are established using the following
- 16 methodology:
 - The minimum is generally set at the seventh lowest level of performance achieved in the prior complete year (thus setting an expectation for improvement on those who achieved the lowest levels of performance).
 - The maximum is generally set to the lesser of one of the following:
 - > The seventh highest level of performance achieved in the prior complete year (which provides some flexibility for higher performers and ensures that the reward for being a leading performer is not an ever-increasing target).
 - ➤ 85 percent of the measure. This was an adjustment made to our original model, when one Board observed that the original maximum target for a measure was set to 92.5 percent, meaning it was not mathematically possible to rate a Board at +P (Positive Performance) even if they hit 100 percent. WDD and I|3 agreed that was problematic and decided that 85 percent was still an appropriate target that allowed a reasonable chance of achieving at least 110 percent of a target resulting in a +P rating.

30 Summary of Negotiations

- 31 Of the 840 targets proposed by TWC (28 Boards × 15 measures × 2 years), Boards accepted 811 target
- 32 proposals and considered negotiations on 29 target proposals. There were 21 Boards that accepted all
- TWC's proposals and seven that requested to negotiate on one or more of the target proposals.
- Of the seven Boards that offered target counterproposals, two (East Texas and West Central) provided an
- explanation regarding their requests that was logical, supported by data, and related to factors that the
- 36 models cannot currently fully account for (specifically high adult/youth co-enrollments impacting
- performance and a trend toward serving a higher percentage of rural job seekers and data showing that
- 38 outcomes for rural customers tended to be lower). Therefore, staff included their requested targets on two
- measures (\times 2 years) in the recommendations on pages 4–5 and 7–8.
- The other five Boards were not able to provide explanations or data to support their target
- 41 counterproposals. Among the reasons given but not accepted were:

- concerns about the current economic conditions and layoffs (recent performance indicated that they were hitting or trending strongly toward the new targets);
 - concerns about the impact of severe weather events, such as hurricanes (a factor that is now accounted for in the PAMs);
 - concerns about higher enrollments in programs such as Registered Apprenticeship (RA) and the PROWD grant that might impact case mix (case mix is addressed in the models);
- concerns about their targets being higher than the statewide DOL targets;
 - arguments that did not seem to align with the data; and
 - arguments related to factors that were accounted for in the models.

10 **Decision Point**

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- 11 Staff recommends approval of the initial targets for BCY'25 and BCY'26 for the WIOA statutorily
- prescribed performance measures negotiated with the 28 Boards, as listed on pages 4–9.

BCY'25 Targets on WIOA Exit-Based Measures Focusing on the 2nd Quarter Post-Exit

	Adult Employed Q2 Post-	DW Employed Q2 Post-	Youth Employed / Enrolled Q2 Post-	Adult Median Earnings Q2 Post-	DW Median Earnings Q2 Post-	Youth Median Earnings Q2 Post-
Board	Exit	Exit	Exit	Exit	Exit	Exit
1-Panhandle	83.00%	81.20%	77.60%	\$8,980	\$9,500	\$5,200
2-South Plains	83.10%	82.40%	81.80%	\$7,610	\$10,750	\$3,900
3-North	81.00%	82.40%	78.80%	\$7,210	\$9,670	\$3,900
4-North Central	74.00%	77.80%	77.00%	\$7,000	\$9,850	\$3,900
5-Tarrant	74.00%	77.80%	75.30%	\$7,000	\$9,650	\$3,900
6-Dallas	74.00%	79.40%	76.30%	\$7,090	\$10,390	\$4,270
7-North East	83.60%	82.40%	81.80%	\$8,080	\$9,640	\$4,100
8-East	74.40%	79.10%	78.90%	\$6,500	\$9,500	\$3,900
9-West Central	82.80%	82.40%	78.20%	\$6,890	\$9,500	\$4,630
10-Borderplex	79.70%	77.80%	79.20%	\$9,200	\$9,640	\$3,900
11-Permian Basin	77.50%	82.40%	76.20%	\$8,250	\$11,500	\$4,890
12-Concho Valley	80.40%	82.40%	77.80%	\$7,490	\$11,180	\$4,710
13-Heart	83.20%	82.40%	76.80%	\$7,720	\$10,230	\$3,900
14-Capital Area	74.00%	80.40%	78.50%	\$9,030	\$11,500	\$3,900
15-Rural Capital	74.10%	77.80%	78.10%	\$7,830	\$11,100	\$4,150
16-Brazos Valley	74.00%	79.70%	75.20%	\$7,000	\$9,720	\$3,900
17-Deep East	81.60%	82.40%	78.30%	\$7,000	\$9,530	\$4,310
18-Southeast	76.80%	77.80%	73.40%	\$7,000	\$9,500	\$3,900
19-Golden Crescent	82.50%	79.60%	73.20%	\$8,850	\$10,630	\$5,200
20-Alamo	74.20%	78.40%	73.20%	\$7,150	\$10,250	\$3,900
21-South	74.00%	81.10%	76.30%	\$7,030	\$11,090	\$3,900
22-Coastal Bend	76.60%	79.40%	73.40%	\$7,000	\$10,180	\$3,900
23-Lower Rio	75.90%	82.40%	74.10%	\$7,750	\$9,810	\$4,190
24-Cameron	78.50%	82.20%	79.10%	\$7,920	\$9,660	\$3,900
25-Texoma	83.60%	79.50%	77.50%	\$8,240	\$9,500	\$5,200
26-Central	83.60%	80.70%	75.40%	\$9,200	\$10,290	\$3,900
27-Middle Rio	79.20%	82.40%	81.80%	\$8,620	\$10,180	\$3,900
28-Gulf Coast	74.00%	77.80%	73.20%	\$7,000	\$10,130	\$3,900
Min	74.00%	77.80%	73.20%	\$7,000	\$9,500	\$3,900
Max	83.60%	82.40%	81.80%	\$9,200	\$11,500	\$5,200

BCY'25 Targets on WIOA Exit-Based Measures Requiring Measurement in 4th Quarter Post-Exit

	Adult Employed Q4 Post-	DW Employed Q4 Post-	Youth Employed/ Enrolled Q4 Post-	Adult Credentia	DW Credentia	Youth Credential
Board	Exit	Exit	Exit	1 Rate	1 Rate	Rate
1-Panhandle	80.10%	80.40%	75.50%	81.70%	85.00%	77.10%
2-South Plains	82.30%	85.00%	80.60%	85.00%	85.00%	69.10%
3-North	82.30%	84.70%	81.10%	81.60%	85.00%	79.30%
4-North Central	72.70%	78.30%	74.60%	73.00%	76.10%	62.20%
5-Tarrant	72.70%	78.80%	74.60%	72.20%	77.40%	65.30%
6-Dallas	72.70%	80.10%	74.60%	78.60%	82.40%	69.90%
7-North East	82.30%	85.00%	83.10%	78.10%	79.20%	75.90%
8-East	72.70%	78.30%	76.90%	76.10%	76.00%	67.80%
9-West Central	76.70%	85.00%	75.40%	77.90%	85.00%	72.10%
10-Borderplex	81.00%	78.80%	76.20%	80.20%	82.80%	61.60%
11-Permian Basin	73.30%	80.20%	77.10%	73.30%	85.00%	61.90%
12-Concho Valley	78.70%	85.00%	78.00%	71.10%	85.00%	68.90%
13-Heart	82.20%	80.90%	79.40%	74.00%	76.00%	67.10%
14-Capital Area	74.40%	80.90%	78.00%	75.70%	80.50%	71.10%
15-Rural Capital	76.80%	78.50%	80.70%	82.00%	85.00%	76.50%
16-Brazos Valley	74.90%	78.30%	79.90%	71.10%	77.90%	58.80%
17-Deep East	77.10%	80.30%	74.60%	77.00%	84.00%	74.20%
18-Southeast	74.40%	78.30%	75.60%	77.70%	79.50%	63.80%
19-Golden Crescent	81.70%	79.60%	77.00%	74.20%	85.00%	81.20%
20-Alamo	72.70%	80.50%	74.60%	75.90%	81.40%	56.10%
21-South	75.40%	78.30%	78.90%	85.00%	85.00%	78.90%
22-Coastal Bend	74.70%	78.50%	75.00%	71.10%	76.00%	56.60%
23-Lower Rio	75.50%	82.50%	74.60%	85.00%	85.00%	67.10%
24-Cameron	77.00%	82.80%	77.50%	85.00%	85.00%	74.80%
25-Texoma	82.30%	85.00%	77.60%	78.20%	81.00%	66.30%
26-Central	79.40%	81.90%	77.70%	83.40%	82.30%	62.80%
27-Middle Rio	81.20%	85.00%	80.50%	81.00%	85.00%	56.10%
28-Gulf Coast	72.70%	78.30%	74.60%	71.10%	76.60%	59.00%
Min	72.70%	78.30%	74.60%	71.10%	76.00%	56.10%
Max	82.30%	85.00%	83.30%	85.00%	85.00%	85.00%

BCY'25 Measurable Skill Gains Targets

Board	Adult MSG	DW MSG	Youth MSG
1-Panhandle	69.70%	75.00%	64.30%
2-South Plains	69.70%	75.00%	73.10%
3-North	69.70%	75.00%	64.30%
4-North Central	69.70%	75.00%	64.30%
5-Tarrant	69.70%	75.00%	64.30%
6-Dallas	69.70%	75.00%	64.30%
7-North East	69.70%	80.30%	64.30%
8-East	69.70%	75.00%	64.30%
9-West Central	69.70%	75.00%	64.30%
10-Borderplex	69.70%	75.00%	64.30%
11-Permian Basin	69.70%	75.00%	64.30%
12-Concho Valley	71.00%	75.00%	64.30%
13-Heart	69.70%	75.00%	64.30%
14-Capital Area	72.60%	75.00%	64.30%
15-Rural Capital	69.70%	75.00%	64.30%
16-Brazos Valley	69.70%	75.00%	64.30%
17-Deep East	69.70%	75.00%	64.90%
18-Southeast	69.70%	75.00%	64.30%
19-Golden Crescent	69.70%	75.00%	64.30%
20-Alamo	69.70%	75.00%	64.30%
21-South	69.70%	75.00%	64.30%
22-Coastal Bend	69.70%	75.00%	64.30%
23-Lower Rio	69.70%	75.00%	67.30%
24-Cameron	69.70%	84.60%	75.20%
25-Texoma	69.70%	78.20%	64.30%
26-Central	69.70%	75.00%	64.30%
27-Middle Rio	69.70%	75.00%	64.30%
28-Gulf Coast	69.70%	75.00%	64.30%
Min	69.70%	75.00%	64.30%
Max	85.00%	84.60%	84.60%

BCY'26 Targets on WIOA Exit-Based Measures Focusing on the 2nd Quarter Post-Exit

	Adult Employe d Q2	DW Employe d Q2	Youth Employed/ Enrolled Q2 Post-	Adult Median Earnings Q2 Post-	DW Median Earnings Q2 Post-	Youth Median Earnings Q2 Post-
Board	Post-Exit	Post-Exit	Exit	Exit	Exit	Exit
1-Panhandle	83.00%	81.20%	77.60%	\$8,980	\$9,600	\$5,300
2-South Plains	83.10%	83.40%	82.00%	\$7,610	\$10,750	\$4,000
3-North	81.00%	83.40%	78.80%	\$7,210	\$9,670	\$4,000
4-North Central	75.00%	78.80%	77.00%	\$7,100	\$9,850	\$4,000
5-Tarrant	75.00%	78.80%	75.30%	\$7,100	\$9,650	\$4,000
6-Dallas	75.00%	79.40%	76.30%	\$7,100	\$10,390	\$4,270
7-North East	84.60%	83.40%	82.80%	\$8,080	\$9,640	\$4,100
8-East	75.00%	79.10%	78.90%	\$6,800	\$9,600	\$4,000
9-West Central	82.80%	83.40%	78.20%	\$7,140	\$9,600	\$4,630
10-Borderplex	79.70%	78.80%	79.20%	\$9,300	\$9,640	\$4,000
11-Permian Basin	77.50%	82.60%	76.20%	\$8,250	\$11,600	\$4,890
12-Concho Valley	80.40%	83.40%	77.80%	\$7,490	\$11,180	\$4,710
13-Heart	83.20%	83.40%	76.80%	\$7,720	\$10,230	\$4,000
14-Capital Area	75.00%	80.40%	78.50%	\$9,030	\$11,600	\$4,000
15-Rural Capital	75.00%	78.80%	78.10%	\$7,830	\$11,100	\$4,150
16-Brazos Valley	75.00%	79.70%	75.20%	\$7,100	\$9,720	\$4,000
17-Deep East	81.60%	82.80%	78.30%	\$7,100	\$9,600	\$4,310
18-Southeast	76.80%	78.80%	74.20%	\$7,100	\$9,600	\$4,000
19-Golden Crescent	82.50%	79.60%	74.20%	\$8,850	\$10,630	\$5,300
20-Alamo	75.00%	78.80%	74.20%	\$7,150	\$10,250	\$4,000
21-South	75.00%	81.10%	76.30%	\$7,100	\$11,090	\$4,000
22-Coastal Bend	76.60%	79.40%	74.20%	\$7,100	\$10,180	\$4,000
23-Lower Rio	75.90%	83.30%	74.20%	\$7,750	\$9,810	\$4,190
24-Cameron	78.50%	82.20%	79.10%	\$7,920	\$9,660	\$4,000
25-Texoma	84.60%	79.50%	77.50%	\$8,240	\$9,600	\$5,200
26-Central	84.50%	80.70%	75.40%	\$9,300	\$10,290	\$4,000
27-Middle Rio	79.20%	83.40%	82.80%	\$8,620	\$10,180	\$4,000
28-Gulf Coast	75.00%	78.80%	74.20%	\$7,100	\$10,130	\$4,000
Min	75.00%	78.80%	74.20%	\$7,100	\$9,600	\$4,000
Max	84.60%	83.40%	82.80%	\$9,300	\$11,600	\$5,300

BCY'26 Targets on WIOA Exit-Based Measures Requiring Measurement in 4th Quarter Post-Exit

	Adult Employe d Q4	DW Employe d Q4	Youth Employed / Enrolled Q4 Post-	Adult Credential	DW Credential	Youth Credentia
Board	Post-Exit	Post-Exit	Exit	Rate	Rate	l Rate
1-Panhandle	80.10%	80.40%	75.60%	81.70%	85.00%	77.10%
2-South Plains	83.30%	85.00%	80.60%	85.00%	85.00%	69.10%
3-North	83.30%	84.70%	81.10%	81.60%	85.00%	79.30%
4-North Central	73.70%	79.30%	75.60%	73.00%	77.00%	62.20%
5-Tarrant	73.70%	79.30%	75.60%	72.20%	77.40%	65.30%
6-Dallas	73.70%	80.10%	75.60%	78.60%	82.40%	69.90%
7-North East	83.30%	85.10%	83.10%	78.10%	79.20%	75.90%
8-East	73.70%	79.30%	76.90%	76.10%	77.00%	67.80%
9-West Central	76.70%	85.00%	75.60%	77.90%	85.00%	72.10%
10-Borderplex	81.00%	79.30%	76.20%	80.20%	82.80%	61.60%
11-Permian Basin	73.70%	80.20%	77.10%	73.30%	85.00%	61.90%
12-Concho Valley	78.70%	85.00%	78.00%	72.10%	85.00%	68.90%
13-Heart	82.20%	80.90%	79.40%	74.00%	77.00%	67.10%
14-Capital Area	74.40%	80.90%	78.00%	75.70%	80.50%	71.10%
15-Rural Capital	76.80%	79.30%	80.70%	82.00%	85.00%	76.50%
16-Brazos Valley	74.90%	79.30%	79.90%	72.10%	77.90%	58.80%
17-Deep East	77.10%	80.30%	75.60%	77.00%	84.00%	74.20%
18-Southeast	74.40%	79.30%	75.60%	77.70%	79.50%	63.80%
19-Golden Crescent	81.70%	79.60%	77.00%	74.20%	85.80%	81.20%
20-Alamo	73.70%	80.50%	75.60%	75.90%	81.40%	57.10%
21-South	75.40%	79.30%	78.90%	85.00%	85.00%	78.90%
22-Coastal Bend	74.70%	79.30%	75.60%	72.10%	77.00%	57.10%
23-Lower Rio	75.50%	82.50%	75.60%	85.00%	85.00%	67.10%
24-Cameron	77.00%	82.80%	77.50%	85.00%	85.00%	74.80%
25-Texoma	83.30%	85.00%	77.60%	78.20%	81.00%	66.30%
26-Central	79.40%	81.90%	77.70%	83.40%	82.30%	62.80%
27-Middle Rio	81.20%	85.00%	80.50%	81.00%	85.00%	57.10%
28-Gulf Coast	73.70%	79.30%	75.60%	72.10%	77.00%	59.00%
Min	73.70%	79.30%	75.60%	72.10%	77.00%	57.10%
Max	83.30%	85.00%	84.30%	85.00%	85.00%	85.00%

BCY'26 Measurable Skill Gains Targets

Board	Adult MSG	DW MSG	Youth MSG
1-Panhandle	70.70%	76.00%	65.30%
2-South Plains	70.70%	76.00%	73.10%
3-North	70.70%	76.00%	65.30%
4-North Central	70.70%	76.00%	65.30%
5-Tarrant	70.70%	76.00%	65.30%
6-Dallas	70.70%	76.00%	65.30%
7-North East	70.70%	80.30%	65.30%
8-East	70.70%	76.00%	65.30%
9-West Central	70.70%	76.00%	65.30%
10-Borderplex	70.70%	76.00%	65.30%
11-Permian Basin	70.70%	76.00%	65.30%
12-Concho Valley	71.00%	76.00%	65.30%
13-Heart	70.70%	76.00%	65.30%
14-Capital Area	72.60%	76.00%	65.30%
15-Rural Capital	70.70%	76.00%	65.30%
16-Brazos Valley	70.70%	76.00%	65.30%
17-Deep East	70.70%	76.00%	65.30%
18-Southeast	70.70%	76.00%	65.30%
19-Golden Crescent	70.70%	76.00%	65.30%
20-Alamo	70.70%	76.00%	65.30%
21-South	70.70%	76.00%	65.30%
22-Coastal Bend	70.70%	76.00%	65.30%
23-Lower Rio	70.70%	76.00%	67.30%
24-Cameron	70.70%	85.60%	75.20%
25-Texoma	70.70%	78.20%	65.30%
26-Central	70.70%	76.00%	65.30%
27-Middle Rio	70.70%	76.00%	65.30%
28-Gulf Coast	70.70%	76.00%	65.30%
Min	70.70%	76.00%	65.30%
Max	85.00%	85.00%	85.00%