

Texas Workforce Commission *Annual Report*

2007



— TEXAS —
WORKFORCE SOLUTIONS
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TWC AND THE THRIVING TEXAS ECONOMY

The Texas economy has flourished in the past year under such positive economic conditions as increased job creation, growing investments in economic development, expanding business activity, and historically low unemployment rates.

The Texas Workforce Commission (TWC) plays an integral role in our state's success story with a market-driven workforce development system built by responding to the needs of Texas employers and workers. By providing training, workforce development, business services, and employment assistance, TWC supports Texas' dynamic economic growth.

Texas Workforce Commission Mission

To promote and support a workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.



A MESSAGE FROM THE COMMISSIONERS

The Honorable Rick Perry
The Honorable David Dewhurst
The Honorable Tom Craddick
Members of the Texas Legislature

TWC, in partnership with 28 local workforce boards, forms Texas Workforce Solutions and offers services through more than 260 Texas workforce centers and satellite offices located throughout the state. In Fiscal Year (FY) 2007, TWC engaged more than 41 percent of Texas' 510,000 employers and served 2 million workers.

Whether businesses have fewer than 20 or more than 10,000 employees, workforce services are customized to meet the needs of the vast array of Texas industries. TWC supports Texas workers through extensive job-matching services, training opportunities, and employment support services such as child care and transportation.

One of the Commission's most important priorities is the development of a strong and capable workforce. TWC leads that charge through innovative workforce training programs including Skills Development Fund grants, Workforce Investment Act (WIA) training, and customized skills training initiatives. These programs are targeted to serve high-growth, high-demand occupations and emerging business sectors as defined in the Governor's Industry Cluster Initiative, all developed in close collaboration with Texas employers.

Texas boasts a labor force of more than 11 million workers, which is expected to increase significantly in the next 20 years. TWC and its workforce partners are essential to the vitality of this future growth, providing support to Texas employers and workers through training, employer services, and job-matching and referral to the thousands who walk through our workforce system doors annually.

Some statistics of note:

- * Texas employers created 229,000 jobs in FY 2007 and almost 1 million jobs since July 2003.
- * Job growth in Texas over the fiscal year stood at 2.3 percent, well above the national rate of 1.2 percent.
- * Initial claims for unemployment compensation dropped 50 percent over the last four years.
- * The statewide seasonally adjusted unemployment rate stood at 4.2 percent at the close of FY 2007, down from 4.9 percent over last year.
- * All 25 Metropolitan Statistical Areas in Texas recorded a decrease in their unemployment rates from August 2006 to August 2007.
- * 96 percent of the Metropolitan Statistical Areas in Texas experienced job growth from August 2006 to August 2007.

A MESSAGE FROM THE COMMISSIONERS

The strength in the Texas economy has reduced demands on the Unemployment Compensation Trust Fund, enabling TWC to administer a second consecutive year of surplus tax credits to Texas employers. The innovative TWC bond sale in 2003, made possible by the 78th Legislature, allowed Texas employers to avoid a deficit tax in 2004 and kept \$1 billion circulating in the Texas economy for job creation and expansion. With authority granted by the 80th Legislature, TWC is paying off the bonds one year early, thereby eliminating the bond obligation assessment component of the Unemployment Insurance (UI) tax rate and saving employers an estimated \$270 million in 2008.

Committed to welfare reform and moving citizens from government assistance to self-sufficiency, TWC has led Texas to a 78 percent reduction in the number of Temporary Assistance for Needy Families (TANF) cases from September 1996 to August 2007.

TWC has taken proactive measures to garner additional federal dollars for Texas. A \$2 million U.S. Department of Energy grant awarded to the Lone Star Wind Alliance, a coalition of business, academic and government partners, will support a wind turbine research lab on the Texas Gulf Coast. The U.S. Department of Labor (DOL) Workforce Innovation in Regional Economic Development (WIRED) initiative awarded \$5 million to South Texas College for the North American Advanced Manufacturing Research and Education Initiative (NAAMREI). TWC is supporting the project with a \$3 million Skills Development Fund grant over three years to provide advanced manufacturing training.

Thanks to the leadership and support of the Governor and the Legislature, TWC effectively supports the state's workforce and economic development strategies. That support will be essential as the Texas workforce system continues to develop and deliver leading workforce solutions to employers, job seekers and the communities of Texas. We are proud to present this report of our achievements to you and look forward to your continued support.

Diane Roth

TWC Chair and Commissioner Representing the Public

Ron Lehman

TWC Commissioner Representing Employers

Ronald G. Congleton

TWC Commissioner Representing Labor

TEXAS WORKFORCE SOLUTIONS

Texas Workforce Solutions for Employers

Services range from business support to staffing assistance to skills-specific training. Companies of all sizes – from Fortune 100 to small and family-owned businesses – turn to Texas Workforce Solutions:

- WorkInTexas.com
- Skills training
- Business services
- Recruitment and referral of qualified applicants
- Testing and pre-screening of job candidates
- Texas Business Conferences
- Work Opportunity Tax Credit (WOTC) assistance
- Labor Market and Career Information
- Texas Industry Profiles and SitesOnTexas.com
- Wage and Labor Law information



Texas Workforce Solutions for Workers

Texas has a labor force of more than 11 million workers who can benefit from Texas Workforce Solutions. Job-search assistance, training opportunities, and financial management courses are a few examples of services available at no cost.

- WorkInTexas.com
- Training opportunities
- Employment assistance
- Workforce Investment Act employment services
- Temporary Assistance for Needy Families/Choices
- Food Stamp Employment and Training
- Reintegration of Offenders (Project RIO)
- Child care for qualified families
- Unemployment Insurance
- Wage and Labor Law information

Texas Workforce Solutions for Communities

TWC and 28 local workforce development boards provide services that promote and support a workforce system that offers employers, individuals and communities the opportunity to achieve and sustain economic prosperity.



WORKFORCE DEVELOPMENT

A Stronger Texas Labor Force Through TWC Workforce Development

TWC provides the workforce development component of the Governor's economic development strategy. Through a market-driven approach, training dollars are targeted toward high-growth, high-demand industries that offer the best promise for job growth. By leveraging local, state and federal dollars, TWC and the 28 workforce boards develop innovative training initiatives through creative collaborations with local industry leaders, other state agencies, and the federal government. By providing Texas employers with the skilled workers they need and by offering training opportunities for Texas workers, the TWC focus on workforce development yields effective, long-term economic development results for Texas. In FY 2007, TWC programs provided training services to more than 77,000 Texans.

Skills Development Fund

For more than a decade, TWC has administered the Skills Development Fund, which directly responds to the workforce needs of Texas employers. When a single business or consortium of businesses can identify training needs, a Skills grant can fund the development and implementation of targeted training through a community college or other training provider. By closely monitoring the execution of the project, TWC ensures that the training dollars are well spent, and that the employers provide jobs and wage increases for workers as a result.

Recognizing the substantial economic development impact of the Skills Development Fund in recent years, the 80th Texas Legislature increased appropriations for the 2008-09 biennium to \$50 million, an increase of almost \$10 million over the appropriation for the 2006-07 biennium. In Fiscal Year (FY) 2007, Skills Development Fund grants were used to create or upgrade 20,831 jobs, which paid an average hourly wage of \$19.04. These grants assisted 281 Texas employers with their customized training needs.

Approximately \$165 million has been appropriated by the Legislature for the fund since it was initiated in 1996, helping more than 3,115 businesses create 68,207 new jobs and train 120,734 incumbent workers for a total of 188,941 workers trained. Through legislative support and the recently approved increase in appropriations, TWC strives to meet the ever-increasing need for customized workforce training.

Workforce Investment Act

In FY 2007, training services were provided to 41,357 adults, youth, and dislocated workers through Workforce Investment Act (WIA) funds from DOL. An estimated \$47 million in WIA funds supports training for Texas workers. Innovative statewide projects include support for Toyota Motor Manufacturing in San Antonio, Meeting Critical Industries' Needs Cluster grants, and the First Generation College Student Initiative. WIA Alternative Funds were used by 24 workforce development boards to provide services to employers, upgrade worker skills, and enhance one-stop service delivery. Through the Texas model of local service delivery, local workforce boards ensure that WIA funds support skills-specific training programs to meet the needs of local employers.

Temporary Assistance for Needy Families/Choices and Self-Sufficiency Fund

Temporary Assistance for Needy Families (TANF) funds from the U.S. Department Health and Human Services support the TANF/Choices program and Self-Sufficiency Fund, which help disadvantaged Texans transition from government assistance to self-sufficiency. TANF/Choices requires active work participation or training to qualify for temporary assistance. In FY 2007, an estimated \$7.6 million was invested in training through the TANF programs serving 10,646 individuals. TWC fosters the independence and heightened esteem that comes with self-sufficiency by providing services Texans need to transition from public assistance into the workforce.

Governor's Industry Cluster Initiative

By identifying future high-growth industries, TWC develops a ready workforce with the skills to meet employer needs. Whether attracting new business to the state or assisting in the expansion or retention of existing businesses, Texas has demonstrated the resolve to meet that challenge through comprehensive statewide and regional planning, and dedicated training funds for the jobs of today and tomorrow. TWC supports the Texas Industry Cluster Initiative, which focuses on industries that offer the best promise of job creation and economic growth. TWC's Office of Employer Initiatives works with industry leaders from across the state to develop industry cluster strategies and to align the services of local workforce development boards, government agencies, industry associations, and educators with Texas businesses, thereby sparking job growth.



Project RIO

TWC administers Project RIO (Re-Integration of Offenders) in collaboration with local workforce development boards, the Texas Department of Criminal Justice, the Windham School District, and the Texas Youth Commission. Its focus is to reduce recidivism through employment and to provide the means to link education, training, and employment pre- and post-release. In FY 2007, 720 Project RIO participants received training services, in addition to thousands of others who received employment and support services.

WORKFORCE DEVELOPMENT

Apprentices Learn and Apply Skills on the Job

Apprenticeship training is designed to prepare individuals for occupations in skilled trades and crafts, and combines structured on-the-job training — supervised by experienced journeymen — with related classroom instruction. TWC provides funds to local public educational institutions to support the costs of related classroom instruction in registered apprenticeship training programs. Local education agencies act as fiscal agents for registered apprenticeship training programs. In FY 2007, 3,511 apprentices were trained through TWC services.



Food Stamp Employment and Training

Food Stamp Employment and Training (FSE&T) provided job search, training and support services to help food stamp recipients transition from government assistance to self-sufficiency. Historically, FSE&T is a program designed to meet the needs of adults without dependents – Texans who are ineligible for Temporary Assistance to Needy Families or other types of assistance. In FY 2007, 1,440 individuals received training through FSE&T.

Senior Community Service Employment Program (SCSEP)

Texas reaps the benefits of the Senior Community Service Employment Program (SCSEP) by hiring dedicated and trained workers age 55 and older. SCSEP is work-based training for low-income seniors to develop and refine skills in paid, part-time community service assignments as they prepare for employment. Employers are reimbursed up to 50 percent of participants' wages using SCSEP funds from DOL.

Skills and Self-Sufficiency Grants Provide Customer Service Training

Convergys Corp., a global leader providing services in customer management, billing and human resources to companies worldwide, opened in Laredo in 2005. The company partnered with South Texas Workforce Development Board and Laredo Community College to design a customized customer service training program for teleservice specialists. The company received \$1 million in funding from TWC's Skills Development and Self-Sufficiency Fund Grant programs. Within its first year, Convergys surpassed its original goal of 800 workers by hiring and training more than 1,000. Those workers transitioning into the workforce from public assistance became self-sufficient through new skills, higher wage potential, and an enhanced quality of life.

High-Tech Jobs Result from Skills and WIA Training



Abilene-based Genesis Networks Solutions Inc. (GNS), a provider of software testing and quality assurance level computer science, needed help finding qualified employees to meet its growing hiring needs. The company partnered with Texas State Technical College-West Texas for a \$275,000 Skills Development Fund training grant and also received \$50,000 from the West Central Texas Workforce Development Board's Workforce Investment Fund for startup training. In 10 months, GNS grew from 15 employees to more than 80 professionals with annual salaries of at least \$35,000. The company now represents the fastest growing high-tech company in the region.

WORKFORCE DEVELOPMENT

East Texas Advanced Manufacturing Assessment Project

LeTourneau Technologies Inc., with 1,100 hourly employees, is one of the three largest industrial employers in Longview. The company manufactures front-end loaders, log stackers and self-elevating mobile offshore drilling rigs, and has supported the Longview community since 1946. Through the East Texas Advanced Manufacturing Assessment Project, the company provides entry-level employees, who have studied welding in school, the chance to gain job skills and work experience, and transition to high-paying jobs. Individuals are referred to the company by the Longview Workforce Center, which uses a job skills assessment system to measure real-world skills. As the primary employer partner in the project, LeTourneau Technologies plays a large role in creating an assessment system that results in quality referrals to all employers.

Food Processing Company Benefits from Skills Development and Texas Enterprise Funds

Hilmar Cheese Co. invested \$190 million in its 200,000-square-foot cheese processing plant, which opened in September 2007 in the Panhandle community of Dalhart. The company most recently partnered with Frank Phillips College to receive a \$295,686 Skills Development Fund grant from TWC to create 420 jobs. Hilmar plans to hire 120 people for its initial opening. The area is also expected to experience job growth due to Hilmar's related suppliers moving to the region. The Hilmar Cheese Skills grant complements a \$5 million incentive grant from the Amarillo Economic Development Corp. and a \$7.5 million Texas Enterprise Fund grant.



TWC TOOLS SUPPORT TEXAS WORKFORCE SOLUTIONS

WorkInTexas.com

WorkInTexas.com, TWC's online employment Web site, is an indispensable, no-cost tool for Texas employers and job seekers. Nearly 204,000 – or more than 41 percent – of the state's total number of employers have registered to post jobs on the site. Since the launch of WorkInTexas.com in June 2004, more than 51 million people have visited WorkInTexas.com, and more than three quarters of a million have found jobs. TWC continues to upgrade and improve the performance of WorkInTexas.com by integrating UI claims-filing and job-search enrollment to streamline the process for job seekers. Systems have been established to provide more detailed, targeted résumés, helping employers recruit and hire the most qualified employees.

Labor Market and Career Information

TWC's Labor Market and Career Information (LMCI) provides statistics and analyses on the dynamics of the Texas labor market. In addition, LMCI provides a wide array of career and occupational information through software programs and Web sites. Monthly employment statistics, information on job growth across all industry sectors, and the size of the Texas labor market are just a few examples of information provided by LMCI. Texas Industry Profiles is TWC's online economic and workforce development tool, which helps local areas retain and expand their existing businesses. SitesOnTexas.com utilizes Web-based geographic information system software to integrate data and maps in an online format.

Labor Law and Wage Claims

The TWC Labor Law Section provides information to employers and workers in regard to Texas Payday Law, Texas Child Labor Law, the Texas Minimum Wage Act and other legal issues. The staff makes presentations to employer organizations, educational service centers, workforce boards and others. In FY 2007, the TWC Labor Law Section recovered more than \$3.9 million in unpaid wages for Texas workers on 5,291 wage claims under the Texas Payday Law.



TWC TOOLS SUPPORT TEXAS WORKFORCE SOLUTIONS

Texas Business Conferences and Employer Publications

The TWC Commissioner Representing Employers sponsors the Texas Business Conferences, a series of employer seminars around the state covering the most important employment law topics for owners and managers of businesses. Since 1998, 50,000 employers have attended the business conferences, helping them address many of the workforce and employment law issues business owners, managers, and human resource professionals face each day. Employers are encouraged to attend at least one of the seminars, in order to hear attorneys and other experts present nuts and bolts information on state and federal employment laws, including information about the claim and appeal processes for unemployment insurance and wage claims, discrimination laws, hiring and firing, employee policies, and other topics.

Attendees receive a copy of the book *Especially for Texas Employers* and a CD-ROM containing electronic copies of the book, back issues of *Texas Business Today*, workplace posters and forms, guidance documents from several state and federal agencies, employment law training presentations, a detailed reference guide to the Texas Payday Law, and numerous links to online employment law resources. In addition, attendees can visit exhibit booths of several Texas and federal agencies, obtain copies of their materials, and speak one-on-one with agency representatives. The conferences are a great opportunity to meet the legal staff of the Commissioner's office, and ask them and the other speakers individual questions about their workplace concerns.

The *Especially for Texas Employers* book reaches more than 40,000 employers annually, and the *Texas Business Today* Newsletter has 100,000 subscribers.



OUTSTANDING STEWARDS OF STATE AND FEDERAL RESOURCES

Well-managed Unemployment Compensation Trust Fund

Texas' strong economy has reduced the demands on the Unemployment Compensation Trust Fund, which reached an estimated \$361.7 million surplus in FY 2007. The tax surplus allows TWC to retire all outstanding bond debt a year ahead of schedule, providing an estimated \$270 million in future tax savings to Texas employers in 2008. In addition, more than 370,000 Texas employers will receive an estimated \$148 million in surplus tax credits. The innovative bond sale in 2003 allowed Texas employers to avoid a deficit tax in 2004, and kept an estimated \$1 billion circulating in the Texas economy for job creation and expansion.

UI Debit Cards

TWC launched the UI Debit Card program in partnership with JPMorgan Chase & Co. in June 2007 to replace the existing method of mailing paper checks to UI claimants. Advantages to UI claimants include greater security and convenience. The estimated savings to TWC is about \$500,000 a year in check printing and postage costs. The new UI debit cards can be used for purchases at stores that accept Visa cards, for cash withdrawals at ATMs, at the bank teller window, or with the cash-back option when making a purchase. This program is another example of TWC's continued improvement in the delivery of services through the use of technology.

Improved Efficiency for Unemployment Insurance (UI) Tax and Claims Filing

More than 50 percent of Texas employers file their UI quarterly tax reports electronically or online, making quarterly tax report filing more convenient for employers and more efficient for TWC. For claimants, in FY 2007, 39 percent filed for UI online. Once the UI online application is completed, the claimant can access WorkInTexas.com to begin searching for work.

Enhanced Fraud Elimination Efforts

TWC has consolidated all regulatory enforcement functions into the Regulatory Integrity Division. The new centralized division is responsible for enforcement of statutes affecting UI, wage claims, career schools, board sanctions, and other laws under the jurisdiction of the agency. As a result of providing evidence to local district attorney's offices, TWC obtained 160 dispositions for UI fraud prosecution cases and collected \$1.3 million from adjudicated prosecution cases. Through the efforts of the Regulatory Integrity Division, \$21.5 million in delinquent UI taxes were collected in 2007. If Texas employers fail to meet UI tax obligations, TWC has the right to place liens and freeze employers' assets in order to ensure payment.



OUTSTANDING STEWARDS OF STATE AND FEDERAL RESOURCES

Contract Monitoring

Local delivery of workforce services by the 28 statewide workforce development boards has proven to be an effective model for Texas. TWC determines the true success of local service delivery by demanding strict adherence to performance monitoring requirements and cost-effectiveness in every program in each board area. With thorough monitoring visits and special reviews when the need arises, TWC ensures that the workforce boards operate with the highest standards of accountability and integrity.

Texas Workforce Solutions

TWC and the 28 workforce development boards form Texas Workforce Solutions. Through a statewide branding initiative, the entire Texas workforce system will build upon existing public awareness of the tremendous workforce services available throughout the state. In the past, with many local workforce development boards with different business names, there were missed opportunities to provide services to our customers. To develop a recognizable identity, the Texas workforce system is transitioning to the statewide common brand of Texas Workforce Solutions, and each workforce development board will be known as Workforce Solutions in the individual board areas. Boards will receive assistance to defray the costs associated with this transition.

Flexibility from the U.S. Department of Labor

TWC has achieved unprecedented flexibility with WIA federal dollars through innovative and effective program waiver requests. Through the 13 federal program waivers granted to Texas to date, Texas local workforce boards have the greatest flexibility possible to design and deliver services that meet the needs of employers and job seekers.

- TWC recognized the need for workforce boards to increase the amount of WIA formula funds used as local activity funds. In FY 2007, 20 boards expended approximately \$6 million as Local Activity Funds. These funds upgraded the skills of 6,522 individuals. The boards focused on training in high-growth, high-demand industries, such as manufacturing, health care, and information technology.
- Another important waiver increased the percentage of WIA funds available for Rapid Response activities for dislocated workers.
- Texas has been approved for a waiver to reimburse employers providing on-the-job training on a graduated scale based on the size of the businesses. Texas employers with fewer than 100 employees can be reimbursed up to 90 percent on wages.



COLLABORATIONS WITH OTHER STATE ENTITIES

TWC seeks to maximize opportunities to collaborate with other state agencies with the goal of maintaining governmental efficiency and utilizing shared resources. These partnerships for FY 2007 include:

Texas Office of the Attorney General (OAG)

Through the Employer New Hiring Reporting Program, employers send information on new employees to the Texas OAG. TWC cross matches the information from the OAG with UI claimant data to identify possible cases of UI fraud and overpayments, which helps lower employer UI tax rates.

The Texas Non-Custodial Parent (NCP) Choices Pilot Project is a collaborative effort between TWC and OAG, designed to assist noncustodial parents find jobs and pay their child support through a combination of employment and support services. For its outstanding results, the two-year, pilot program was awarded the Commissioner's Award for Innovative Partnership from the Administration for Children and Families' Office of Child Support Enforcement.

Department of Family and Protective Services

TWC, in partnership with the Texas Department of Family and Protective Services and Casey Family Programs, was selected to participate in a two-year, DOL funded demonstration project to serve foster youth at the Houston Alumni and Youth (HAY) Center. Of 376 HAY Center foster youth participants served to date, 86 percent have found jobs and 72 percent have earned high school diplomas or GED certificates.

Texas Department of Criminal Justice (TDCJ) and the Texas Youth Commission (TYC)

Project RIO (Re-Integration of Offenders) is administered by TWC in collaboration with local workforce development boards, the Texas Department of Criminal Justice (TDCJ), the Windham School District and The Texas Youth Commission (TYC). Its focus is to reduce recidivism through employment and to provide the means to link education, training and employment pre- and post-release. A long-term study of more than 60,000 individuals released from incarceration during FY2001 showed that 63.1 percent of clients served by Project RIO found employment, compared to 32.3 percent of the individuals who had not received Project RIO services. Statistics show that Project RIO reduces recidivism with only 2.1 percent of individuals returning to incarceration, compared to 10.3 percent of those individuals who had not received Project RIO services.

Amachi Texas is a Big Brothers Big Sisters one-to-one mentoring program that matches children who have incarcerated family members with caring volunteers. With expertise and resources from the Office of the Governor, the Texas Department of Criminal Justice, and the OneStar Foundation, the program reflects the Big Brothers Big Sisters' vision to reach and mentor the most at-risk youth in the state. In September 2006, TWC provided \$500,000 in TANF funds to Amachi Texas.

SUPPORTING OUR FUTURE WORKFORCE

Texas Science and Engineering Fair

TWC is a proud sponsor of the annual Texas Science and Engineering Fair, which promotes math and science careers among middle- and high-school students. Also partnering with TWC is the Texas Science Careers Consortium (TSCC), a coalition of science and technology deans from colleges and universities across the state dedicated to addressing the myriad of science and technology issues Texas employers and job seekers will face in the near future.

The science fair is a statewide competition for Texas middle- and high-school students who qualified at regional competitions. In 2007, more than 1,200 students competed at the fair for scholarships and other special awards. The science fair continues to attract a diverse range of participants each year, including more female and minority students.



Supporting the Dream for First Generation College Students

The First Generation College Student Initiative offers hope for secondary education to disadvantaged youth who are identified as the first in their families with the opportunity to attend college. The program focuses on college preparation, enrollment and retention of first-generation students, and boasts a 95 percent success rate. Boards participating in the First Generation initiative include Alamo, Cameron County, Dallas, Deep East Texas, Gulf Coast, North East Texas, North Central, Panhandle, Southeast Texas, South Plains, Tarrant County, and Upper Rio Grande.

2007 WORKFORCE BY THE NUMBERS

1	Employer of the Year: Becon Construction, nominated by Southeast Texas Workforce Development Board
\$1.1	\$1.1 billion budget for workforce services to employers and workers
10	Texas has the 10th largest economy in the world
11	11 million workers in Texas
28	Local workforce development boards creating local workforce solutions
78	Percentage reduction in TANF cases since 1996
266	Workforce centers and satellite offices in Texas serving employers and workers
281	Texas employers received Skills Development Fund grants in FY 2007
3,511	Apprentices participated in TWC-sponsored Apprenticeship Training
20,831	Workers received training through Skills Development Fund grants in FY 2007
123,411	Average number of children per day receiving child care
510,000	Employers in Texas
879,728	Workers entering employment after obtaining Texas workforce center services
\$27,896,085	Child care matching dollars secured by the local workforce development boards
\$54,038,884	Federal child care funds drawn down by matching dollars secured by local workforce development boards
\$188,068,800	Tax credits identified as available to Texas employers



SUCCESSFUL LOCAL SERVICE DELIVERY

Permian Basin Garners DOL Communities-Based Job Training Grant

Permian Basin Workforce Development Board partnered with Odessa College, the Ector County Independent School District and industry partners, to garner a three-year \$1.75 million DOL Communities-Based Job Training Grant to address the area's critical shortage of qualified welders. The funds were used to build a Welding Training Center on the Odessa College campus that will provide no-cost, customized training to novice students and adult welders, as well as incumbent workers. Over the next three years, 480 students are expected to complete the program.

Upper Rio Grande Assists Automatic Data Processing

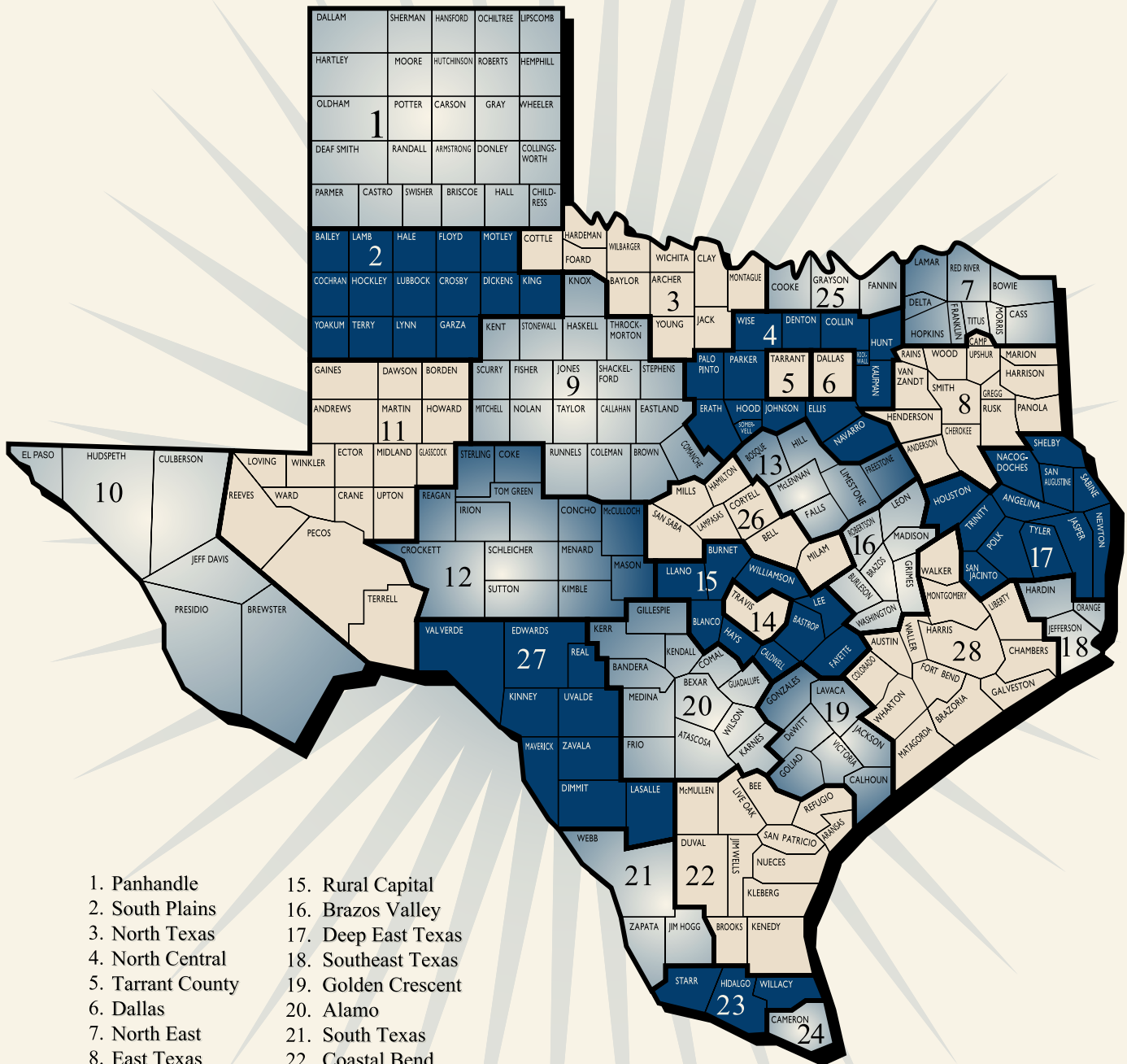
Upon opening its new 150,000-square foot Solutions Center in El Paso, Automatic Data Processing, worldwide provider of employer payroll and tax filing, received hiring assistance from Upper Rio Grande Workforce Development Board, who coordinated three large hiring fairs. More than 3,000 interested jobseekers attended the fairs. The company plans to add approximately 1,000 new positions within the next five years. El Paso was selected as the best location for the facility after a workforce study concluded that the area had an untapped pool of educated and bilingual workers.



Gulf Coast Partners with Gulf Copper Dry Dock and Rig Repair

Gulf Copper Dry Dock and Rig Repair in Galveston contributed to an economic boom in the Gulf Coast region with its decision to locate a 60,000-ton dry dock on 110 acres of vacant shipyard. The 50-year-old, employee-owned company began partnering with the Gulf Coast Workforce Development Board, for all of its hiring needs. It received labor market information on hiring trends, wage surveys and base wages for welders and fitters. By the end of June 2007, Gulf Copper had hired 683 employees through the workforce development board.

LOCAL WORKFORCE DEVELOPMENT AREAS



- | | |
|----------------------|-----------------------------|
| 1. Panhandle | 15. Rural Capital |
| 2. South Plains | 16. Brazos Valley |
| 3. North Texas | 17. Deep East Texas |
| 4. North Central | 18. Southeast Texas |
| 5. Tarrant County | 19. Golden Crescent |
| 6. Dallas | 20. Alamo |
| 7. North East | 21. South Texas |
| 8. East Texas | 22. Coastal Bend |
| 9. West Central | 23. Lower Rio Grande Valley |
| 10. Upper Rio Grande | 24. Cameron County |
| 11. Permian Basin | 25. Texoma |
| 12. Concho Valley | 26. Central Texas |
| 13. Heart of Texas | 27. Middle Rio Grande |
| 14. Capital of Texas | 28. Gulf Coast |

ALAMO

Annual Budget: \$79,980,645
Number of workforce centers
and satellite offices: 22
(210) 272-3250
www.alamoworksource.org

BRAZOS VALLEY

Annual Budget: \$9,749,806
Number of workforce centers
and satellite offices: 8
(979) 595-2800
www.bvjobs.org

CAMERON COUNTY

Annual Budget: \$22,487,833
Number of workforce centers
and satellite offices: 4
(956) 548-6700
www.cameronworks.org

CAPITAL AREA

Annual Budget: \$29,606,474
Number of workforce centers
and satellite offices: 4
(512) 597-7100
www.worksourceaustin.com

CENTRAL TEXAS

Annual Budget: \$16,285,821
Number of workforce centers
and satellite offices: 8
(254) 939-3771
www.workforcelink.com

COASTAL BEND

Annual Budget: \$24,850,543
Number of workforce centers
and satellite offices: 11
(361) 225-1098
www.coastalworksource.com

CONCHO VALLEY

Annual Budget: \$6,812,784
Number of workforce centers
and satellite offices: 1
(325) 653-2321
www.cvwworkforce.org

DALLAS COUNTY

Annual Budget: \$84,645,637
Number of workforce centers
and satellite offices: 12
(214) 290-1000
www.worksource.org

DEEP EAST TEXAS

Annual Budget: \$16,734,043
Number of workforce centers
and satellite offices: 12
(936) 639-8898
www.detwork.org

EAST TEXAS

Annual Budget: \$27,201,394
Number of workforce centers
and satellite offices: 14
(903) 984-8641
www.easttexasworkforce.org

GOLDEN CRESCENT

Annual Budget: \$7,753,948
Number of workforce centers
and satellite offices: 8
(361) 576-5872
www.gcworkforce.org

GULF COAST

Annual Budget: \$206,053,703
Number of workforce centers
and satellite offices: 42
(713) 627-3200
(888) 469-5627
www.theworksource.org

HEART OF TEXAS

Annual Budget: \$12,697,245
Number of workforce centers
and satellite offices: 6
(254) 296-5300
www.hotworkforce.com

LOWER RIO GRANDE VALLEY

Annual Budget: \$58,962,681
Number of workforce centers
and satellite offices: 11
(956) 928-5000
www.wfsolutions.com

MIDDLE RIO GRANDE

Annual Budget: \$10,993,805
Number of workforce centers
and satellite offices: 9
(830) 591-0141
www.mrgwb.org

NORTH CENTRAL

Annual Budget: \$51,234,388
Number of workforce centers
and satellite offices: 15
(817) 695-9176
www.dfwjobs.com

NORTH EAST TEXAS

Annual Budget: \$10,478,714
Number of workforce centers
and satellite offices: 4
(903) 794-9490
www.netxworkforce.org

NORTH TEXAS

Annual Budget: \$7,076,841
Number of workforce centers
and satellite offices: 5
(940) 767-1432
www.workforceresource.info

PANHANDLE

Annual Budget: \$14,858,165
Number of workforce centers
and satellite offices: 9
(806) 372-3381
www.panhandleworksource.com

PERMIAN BASIN

Annual Budget: \$13,915,877
Number of workforce centers
and satellite offices: 7
(432) 563-5239
www.pbwdb.org

RURAL CAPITAL AREA

Annual Budget: \$15,525,908
Number of workforce centers
and satellite offices: 10
(512) 244-7966
www.ruralworkforcecenter.com

SOUTHEAST TEXAS

Annual Budget: \$28,788,660
Number of workforce centers
and satellite offices: 5
(409) 719-4750
www.setworks.org

SOUTH PLAINS

Annual Budget: \$14,599,062
Number of workforce centers
and satellite offices: 9
(806) 744-1987
www.spworksource.org

SOUTH TEXAS

Annual Budget: \$15,233,545
Number of workforce centers
and satellite offices: 3
(956) 722-3973
www.southtexasworkforce.org

TARRANT COUNTY

Annual Budget: \$55,756,684
Number of workforce centers
and satellite offices: 11
(817) 413-4400
www.workforcesolutions.net

TEXOMA

Annual Budget: \$6,729,224
Number of workforce centers
and satellite offices: 3
(903) 957-7408
www.workforcetexoma.com

UPPER RIO GRANDE

Annual Budget: \$61,951,614
Number of workforce centers
and satellite offices: 9
(915) 772-2002
www.urgwdb.org

WEST CENTRAL

Annual Budget: \$11,657,146
Number of workforce centers
and satellite offices: 4
(325) 795-4200
(800) 457-5633
www.workforcesystem.org

2006-2007 Unemployment Compensation Fund*

	<i>Fiscal Year 2006</i>	<i>Fiscal Year 2007</i>
Total Net Assets, September 1	\$ 765,597,014	\$ 1,623,424,219
<i>Revenues:</i>		
Unemployment Taxes	1,862,803,930	1,665,242,066
Federal Revenues *	81,389,954	67,862,120
Interest Income	78,804,326	104,684,857
Other Revenues **	88,141,746	83,606,381
Total Revenues	2,111,139,956	1,921,395,424
<i>Expenditures:</i>		
Unemployment Benefits Paid	(1,224,819,759)	(1,181,349,233)
Interest Expenses	(27,084,913)	(21,674,168)
Other Non-Operating Expenses	(1,525,687)	(1,585,803)
Total Expenditures	(1,253,430,359)	(1,204,609,204)
Net Transfers	117,608	2,156,240
Special Item - Unemployment Tax Refunds ***		(318,813,129)
Change in Net Assets	857,827,205	400,129,331
Net Assets, August 31	1,623,424,219	2,023,553,550

* The funds and accounts making up the Unemployment Compensation Trust Fund include the following: Fund 0367, the Texas Public Finance Authority (TPFA) Unemployment Compensation Obligation Assessment Revenue Bonds Series 2003 Program Fund; Fund 0844, the TPFA Unemployment Compensation Obligation Assessment Revenue Bonds Obligation Trust Fund; Fund 0936, the Unemployment Compensation Clearance Account; Fund 0937, the Unemployment Compensation Benefit Account; and Fund 0938, the Unemployment Trust Fund Account.

** Other revenue consists primarily of reimbursements received by the Commission from other states for unemployment compensation payments made to out-of-state claimants and amounts received from qualified Texas employers who elect to make direct reimbursements for the actual claimant payments.

*** At October 1, 2006, the Unemployment Compensation Fund exceeded the statutory mandated ceiling of 2 percent of taxable wages. This set in motion the refunding of surplus tax credits to eligible employers based on tax returns filed during the 2007 calendar year.



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(512) 463-2222

<http://www.texasworkforce.org>

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