

BILL ANALYSIS

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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texans have endured enormous challenges over the past year, and our state's economic outlook depends on a speedy and strategic recovery to the COVID-19 crisis. The solution to our current crisis will not be found in dozens of state agencies pulling in different directions. Instead, the solution should be found in strong, transparent, and accountable collaborations between agencies that have received billions in COVID-19 workforce and educational funding.

The Act would make permanent the temporary collaborative work of the Texas Education Agency (TEA), the Texas Workforce Commission (TWC), and the Texas Higher Education Coordinating Board (THECB) over the past two interims. In order to ensure effectiveness, the Act ensures strong guidelines on this work to maximize taxpayer value. Under this initiative THECB, TWC, and TEA are required to:

Identify statewide workforce goals, including goals for the attainment of living wage jobs. This will hold the state accountable and keep all agencies pulling in the same direction.

Designate career pathways for occupations aligned with current workforce needs and for forecasted high-growth careers and skills.

Evaluate career education and training programs across Texas based on the workforce outcomes of program participants to ensure transparency and accountability in how the state spends its workforce dollars.

As a part of the Education and Workforce Alignment Act, the agencies need to modernize their data systems to better serve Texans. This includes:

Creating tools that enable average Texans to evaluate workforce programs.

Building a platform to provide students with information on employment outcomes and earning potential for possible career pathways.

Creating and making public a unified, easily accessible dashboard with data on the state's progress toward meeting its workforce development goals.

Finally, the Act creates the Tri-Agency Workforce Initiative Fund to leverage one-time federal stimulus dollars to modernize data systems and empower inter-agency collaborations. The fund will allow for easier collaboration and pooling of resources between agencies, helping to speed up the state's efforts in its COVID-19 recovery.

As proposed, S.B. 1622 amends current law relating to measures to support workforce development in the state, including the establishment of the Tri-Agency Workforce Initiative and additional employer workforce data reporting.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle G, Title 10, Government Code, by adding Chapter 2308A, as follows:

CHAPTER 2308A. TRI-AGENCY WORKFORCE INITIATIVE

Sec. 2308A.001. DEFINITIONS. Defines "agency," "career education and training program," "commission," "coordinating board," "fund," "initiative," "institution of higher education," and "state workforce development goals."

Sec. 2308A.002. PURPOSE. Establishes the Tri-Agency Workforce Initiative to coordinate and optimize information and other resources as necessary to align career education and training programs to workforce demands, to provide residents of Texas with timely and accurate information needed to plan education and workforce pathways, and to enable local and state policymakers to evaluate the effectiveness of career education and training programs and progress toward the state workforce development goals.

Sec. 2308A.003. INTERAGENCY AGREEMENT AND STAFFING. (a) Requires the Texas Education Agency (TEA), the Texas Higher Education Coordinating Board (THECB), and the Texas Workforce Commission (TWC) to enter into an interagency agreement establishing policies and processes for:

(1) sharing and cooperatively managing education and workforce information collected by each respective agency; and

(2) sharing staff, including colocation of staff assigned to the initiative on a full-time basis, and other resources necessary to effectuate the state workforce development goals and the strategies for achieving those goals adopted under Section 2308A.006.

(b) Requires that the policies and processes established in the agreement under Subsection (a) ensure that data collected by TEA, THECB, or TWC is matched at the student level and made available for use in accordance with this chapter.

(c) Provides that a full-time equivalent employee of TEA, THECB, or TWC whose time and effort are dedicated exclusively to supporting the work of the initiative is not included in the calculation of the number of full-time equivalent employees allotted to the respective agency under other law.

Sec. 2308A.004. QUARTERLY MEETINGS. Requires TEA, THECB, and TWC to meet at least once each quarter to conduct the business of the initiative.

Sec. 2308A.005. UNIFIED WORKFORCE DATA REPOSITORY. (a) Requires TEA, THECB, and TWC to use the P-20/Workforce Data Repository established under Section 1.005(j-1) (relating to the establishment of the P-20/Workforce Data Repository), Education Code, as the central repository of career and education data. Requires TEA, THECB, and TWC, after a comprehensive review of data collected by the respective agency, to incorporate into the repository all data determined by the executive officer of that agency to be integral to the state workforce development goals and the strategies for achieving those goals adopted under Section 2308A.006.

(b) Requires that any data or reports made accessible to the public under the initiative comply with rules adopted under Section 1.006 (Education Research Center Advisory Board), Education Code, to ensure the appropriate use of data in the repository, including compliance with applicable state and federal laws governing use of and access to the data.

(c) Requires TEA, THECB, and TWC to ensure that records deposited in the repository are automatically matched at the student level on a timely basis to ensure that TEA, THECB, and TWC and each school district, institution of higher education, and workforce entity authorized to access the repository has timely information to support higher education and workforce application, entry, and success.

Sec. 2308A.006. STATE WORKFORCE DEVELOPMENT GOALS AND STRATEGIES. (a) Requires TEA, THECB, and TWC jointly to adopt and post in a prominent location on the initiative's and each respective agency's Internet website state workforce development goals and coordinated interagency strategies for achieving those goals.

(b) Requires that the goals adopted under Subsection (a):

(1) include goals for the attainment of employment in jobs that pay a living wage for all career education and training programs in the state;

(2) be disaggregated by race, ethnicity, and gender for each workforce development region; and

(3) provide for locally determined priorities consistent with state goals, and for collaborative planning and coordination with public schools, institutions of higher education, and local workforce development boards.

(c) Requires that the strategies adopted under Subsection (a):

(1) include strategies for expanding work-based learning;

(2) articulate the ways in which the state can best leverage federal funding; and

(3) be demonstrably guided by education and workforce data sets matched at the student level, by performance evaluation measures, including return on investment formulas, and by prioritized occupational classifications, including all target occupations and critical career pathways designated under Subsection (e).

(d) Requires TEA, THECB, and TWC jointly to update the state workforce development goals and strategies adopted under Subsection (a) at least every four years, or more frequently if needed to reflect available data and circumstances.

(e) Requires TEA, THECB, and TWC to designate and update every two years a list of career pathways that includes the following two priority categories:

(1) target occupations, which include current needs that exist in one or more regions of Texas as reflected in regional workforce assessments that use the best available data and local employer requests, and that satisfy minimum federal standards for designations, such as a foundation for qualified use of federal workforce funding; and

(2) critical career pathways that reflect the best statewide data and forecasts of attractive skills and careers expected to grow in the state that may be associated with new emerging industries or new specialty occupations within an industry, or may reflect lateral pathways to better wages for workers with documented skills that provide promotional opportunities within or across occupations with targeted upskill training.

(f) Requires TEA, THECB, and TWC, not later than June 1, 2022, to make recommendations regarding the development of a modernized and expanded job

skills inventory for the state that classifies and matches evolving skills in a rapidly changing economy to career education and training programs and career pathways designated under Subsection (e) that are most important to the state. Provides that this subsection expires September 1, 2022.

Sec. 2308A.007. CREDENTIAL LIBRARY. (a) Requires TEA, THECB, and TWC jointly to establish a web-based library of credentials issued by any public or private entity that are aligned with recognized skills and industry standards, are available to residents of Texas, and are used by employers in Texas.

(b) Requires TEA, THECB, and TWC jointly to designate a host agency or operating entity for the credential library. Requires the host agency or operating entity to perform trend and utilization analysis for each credential in the library to determine the credential's value in the state labor force.

Sec. 2308A.008. ADMINISTRATIVE SUPPORT. Requires the Texas Workforce Investment Council to provide administrative support, including resources and staff, for the initiative.

Sec. 2308A.009. INTERNET WEBSITE. (a) Requires TEA, THECB, and TWC to cooperatively establish a central Internet website for the initiative that contains publicly accessible career and workforce information. Requires that the Internet website include:

(1) a unified dashboard, updated on an annual or more frequent basis, that reports progress toward accomplishment of the state workforce development goals, both statewide and disaggregated by public school and public school campus, institution of higher education campus, workforce region, and county;

(2) data on the outcomes of students who participate in career education and training programs, disaggregated to the extent practicable by income, race, ethnicity, and gender, including certain data for the first, fifth, and tenth years after completing the program;

(3) analytical tools and guidance supporting the use of data on the dashboard described by Subdivision (1) for greater accessibility for a wide range of public, practitioner, and legislative users;

(4) tools enabling residents of Texas to explore careers that match the resident's education and skills and lead to a living wage, to identify and evaluate near-term education and training opportunities related to the resident's career interests, to engage in longer-term career planning, and to connect to available jobs through existing job matching websites;

(5) tools enabling the secure interagency sharing of information in order to seamlessly refer a website visitor at the visitor's election to tailored career navigation, support, and training resources;

(6) tools to support joint program planning, budgeting, and performance evaluation among TEA, THECB, and TWC, and among public schools, institutions of higher education, local workforce development boards, and partnering entities; and

(7) certain data necessary to demonstrate return on investment for each career education and training program.

(b) Requires TEA, THECB, and TWC jointly to:

(1) in September of each year, solicit public comment on the usefulness of the initiative's Internet website; and

(2) in December of each year, publish a summary of actions taken to address comments received under Subdivision (1), and publish trend data regarding the use of the initiative's Internet website.

Sec. 2308A.010. PERFORMANCE REPORTING. (a) Requires TEA, THECB, and TWC to coordinate data collection and matching necessary to evaluate career education and training programs, in accordance with progress measures jointly adopted by TEA, THECB, and TWC, with respect to:

(1) the aggregate impact of the programs on the state workforce development goals; and

(2) return on investment for each program with respect to the program's discrete impact on the state workforce development goals, including a comparison of employment status, occupation, and salary for each student before participating in the program and at the first, fifth, and tenth years after completing the program.

(b) Requires TEA, THECB, and TWC jointly, not later than September 1 of each even-numbered year, to prepare, submit to the legislature, and post on the initiative's and each respective agency's Internet website a report evaluating the impact of career and education training programs on the state workforce development goals with respect to the progress measures described by Subsection (a).

Sec. 2308A.011. PUBLIC COMMENT. Requires TEA, THECB, and TWC jointly, at least 30 days before adopting state workforce development goals, strategies for meeting those goals under Section 2308A.006, or a performance report under Section 2308A.010, to post on the initiative's and each respective agency's Internet website the proposed goals, strategies, or performance report and instructions for submitting public comment on those items.

Sec. 2308A.012. SECURE PORTAL. (a) Requires TEA, THECB, and TWC jointly, for purposes of state and local planning, program evaluation, and continuous improvement of local and regional education and workforce practices, to establish and support a secure portal through which authorized personnel of approved entities can view and analyze comprehensive longitudinal and the most currently available matched data related to the progression toward living-wage employment for residents of Texas.

(b) Requires TEA, THECB, and TWC jointly to adopt role-based security protocols that ensure the privacy and confidentiality of information made accessible through the secure portal in a manner that complies with any applicable state or federal law.

Sec. 2308A.013. EMPLOYER RECOGNITION. (a) Authorizes the governor to award a Talent for Texas Champions Governor's Award to recognize leading employers in the state who are contributing to workforce improvement by supporting priority job training, reskilling, and upskilling programs and whose contributions align with strategic priorities for the state, including helping to meet regional workforce demands and enabling more residents of the state to attain jobs that pay a living wage.

(b) Requires TEA, THECB, and TWC jointly to nominate employers for the award under this section.

Sec. 2308A.014. STATEWIDE CAREER INTERMEDIARY COUNCIL. (a) Defines "council."

(b) Requires TEA, THECB, and TWC jointly to establish a statewide career intermediary council to assist the initiative in achieving the purposes of this chapter.

(c) Provides that the council consists of three members, with one member appointed by the commissioner of education, one member appointed by the commissioner of higher education, and one member appointed by the chair of the commission.

(d) Requires the appointing officers, in making appointments to the council, to coordinate as necessary to ensure that at least one member is a representative of a nonprofit organization that provides support services to students transitioning from secondary to postsecondary education or to participants in job training programs.

(e) Provides that a vacancy on the council is filled in the same manner as the initial appointment.

(f) Provides that Chapters 2110 (State Agency Advisory Committees) and 2254 (Professional and Consulting Services), Government Code, do not apply to the appointment of members to the council.

(g) Requires the council to:

(1) identify ways in which career education and training program providers and employers in the state can communicate more effectively with students, trainees, and employees, using common terminology and definitions of skills sets that match credentials required for attractive jobs;

(2) interpret how effectively labor market demand information is being used to help employers in the state to identify hire-ready credentials, and help job applicants to understand what skills they already have;

(3) suggest improvements to the state workforce development goals and the progress measures adopted under Section 2308A.010; and

(4) examine existing regional workforce intermediaries for the purpose of recognizing successful efforts and scaling best practices of those intermediaries to regions across Texas, using certain measures.

(h) Requires the council, not later than September 1, 2022, to submit to the legislature a report summarizing the additional value provided by the initiative's Internet website, including the dashboard, tools, secure portal, and guidance described by Section 2308A.009, and any recommendations for legislative or other action to improve the usefulness of those resources. Provides that this subsection expires September 1, 2023.

Sec. 2308A.015. TARGETED FUNDING TO ADDRESS STATE GOALS. (a) Authorizes a state agency that receives funding through the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. Section 2301 et seq.) or the Workforce Innovation and Opportunity Act (Pub. L. No. 113-128) or any other federal funding for career education and training to combine with, transfer to, or delegate to another state agency that receives such funding the agency's management of workforce-related funding as necessary to implement the state workforce development goals.

(b) Requires TEA, THECB, and TWC jointly to submit to the governor and the standing legislative committees with jurisdiction over state financial alignment efforts a biennial report on how federal and state funding for career education and training programs are being spent in accordance with the state workforce development goals.

(c) Requires a state agency that receives federal or state funding for career education and training programs to include in the agency's legislative appropriations request a description of how the agency's career education and training programs and expenditures align with the state workforce development goals.

Sec. 2308A.016. LIVING WAGE. Requires TEA, THECB, and TWC jointly to determine for each county the wage that constitutes a living wage for purposes of this chapter. Requires that the determination be based on a common standard that reflects the regionally adjusted minimum employment earnings necessary to meet a family's basic needs while also maintaining self-sufficiency.

Sec. 2308A.017. TRI-AGENCY WORKFORCE INITIATIVE FUND. (a) Provides that the Tri-Agency Workforce Initiative fund is a special fund in the state treasury outside the general revenue fund.

(b) Provides that the fund consists of money appropriated by the legislature for deposit to the credit of the fund, gifts to the state for the purposes of the fund, and money directed by law for deposit to the credit of the fund.

(c) Authorizes money in the fund to be appropriated only for the purposes of modernizing state data for the initiative; planning, staff, or organizational activities of the initiative; or any activities required or allowed under this chapter to implement the state workforce development goals.

SECTION 2. Amends Subchapter A, Chapter 204, Labor Code, by adding Section 204.0025, as follows:

Sec. 204.0025. ADDITIONAL WORKFORCE DATA REPORTING. (a) Requires TWC to request that each employer provide to TWC as part of the employer's routine wage filings under Subtitle A (Texas Unemployment Compensation Act) or TWC rule and consistent with federal law and regulations certain workforce data for each employee.

(b) Requires TWC to provide a public report on employer participation in the data reporting requested under Subsection (a) and a cost-benefit analysis on the data to the workforce planning process in the state.

SECTION 3. Requires TEA, THECB, and TWC, not later than October 1, 2021, to hold the initial meeting required under Section 2308A.004, Government Code, as added by this Act.

SECTION 4. (a) Requires TEA, THECB, and TWC, not later than January 31, 2022, to approve the initial state workforce development goals required under Section 2308A.006, Government Code, as added by this Act.

(b) Requires TEA, THECB, and TWC, not later than April 30, 2022, to adopt the initial strategies required under Section 2308A.006, Government Code, as added by this Act.

SECTION 5. Effective date: September 1, 2021.