

## **BILL ANALYSIS**

Senate Research Center  
87R22750 KJE-D

C.S.S.B. 1622  
By: Bettencourt  
Higher Education  
4/28/2021  
Committee Report (Substituted)

### **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.

Among the more significant changes made by the substitute:

Name Change: Changes the name of the initiative from the Tri-Agency Education and Workforce Alignment Initiative to the Tri-Agency Workforce Alignment Initiative in order to align with the existing tri-agency work.

**Defining Career Education and Training:** Expands the definition of career education and training to include postsecondary degrees and credentials classified by THECB as career education programs (i.e., Associate of Applied Science, institutional certificates).

**Commissioner Involvement:** Elevating the initiative's work from agency staff-level to commissioner-level to ensure greater agency buy-in and authority.

**Student Success Reporting:** Replacing the performance reporting section that evaluates the efficiency and ROI of programs with a student success reporting section that measures key student outcomes from programs. This change was made at agency request.

**Statewide Career Intermediary Council Removed:** Omitting the Statewide Career Intermediary Council from the bill, which would have identified and coordinated efforts to connect Texans to career education/training opportunities. This change was made at agency request.

**Tri-Agency Education and Workforce Fund Removed:** Replacing this formal fund with a more informal provision that agencies may individually accept funds, grants, and gifts for initiative work. This was made at agency request.

**Voluntary Workforce Data Pilot:** Replacing directives that TWC request additional (optional) data from employers with a voluntary pilot program of a representative sample of employers to collect enhanced employee data (i.e., occupation, full-time/part-time status, remote/in-person work status). This change was made at agency request.

**Implementation Dependent on Funding:** Adding a provision that provisions of this Act are only required to be implemented if funds (appropriations, grants, or gifts) are made available.

C.S.S.B. 1622 amends current law relating to measures to support the alignment of education and workforce development in the state with state workforce needs, including the establishment of the Tri-Agency Workforce Initiative.

### **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. Requires that this Act be known as the Texas Education and Workforce Alignment Act.

SECTION 2. 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," "initiative," "institution of higher education," and "state workforce development goals."

Sec. 2308A.002. PURPOSE. Establishes the Tri-Agency Workforce Initiative (initiative) to coordinate and optimize information and other resources as necessary to:

- (1) align career education and training programs to workforce demands;
- (2) provide residents of the state with timely and accurate information needed to plan education and workforce pathways; and

(3) enable local and state policy makers to evaluate the effectiveness of career education and training programs and progress toward the state workforce development goals.

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

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

(2) coordinating the assignment of staff and other resources to the initiative as necessary to effectuate the state workforce development goals and the strategies for achieving those goals developed under Section 2308A.006.

(b) Provides that the time spent by an employee of TEA, THECB, or TWC in supporting the work of the initiative is not included in calculating the number of full-time equivalent employees allotted to the respective agency under other law.

Sec. 2308A.004. QUARTERLY DISCUSSIONS. Requires the commissioner of education, commissioner of higher education, and chair of TWC to discuss the work of the initiative at least once per quarter.

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 to regularly review the data collected by the respective agency and incorporate into the repository 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 developed under Section 2308A.006.

(b) Requires that any data or reports made accessible to the public under the initiative comply with applicable state and federal laws governing use of and access to the data.

(c) Requires TEA, THECB, and TWC, where applicable, 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 other entities authorized to access the repository have timely information to support higher education and workforce application, entry, and success.

Sec. 2308A.006. STATE WORKFORCE DEVELOPMENT GOALS AND STRATEGIES. (a) Requires the commissioner of education, commissioner of higher education, and chair of TWC jointly to develop 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 developed under Subsection (a):

(1) be developed in consultation with employers;

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

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

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

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

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

(2) articulate the ways in which the state can best leverage state and federal funding for career education and training programs; and

(3) be demonstrably guided by education and workforce data, by evidence of success and considerations of cost-effectiveness, and by prioritized occupational classifications, including all target occupations and critical career pathways designated under Subsection (e).

(d) Requires the commissioner of education, commissioner of higher education, and chair of TWC jointly, in consultation with employers, to update the state workforce development goals and strategies developed under Subsection (a) at least every four years, or more frequently if needed to reflect available data and circumstances.

(e) Requires the commissioner of education, commissioner of higher education, and chair of TWC, in consultation with employers, 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 the state 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 skills and careers for which demand in the state is expected to grow that may be associated with new emerging industries or new specialty occupations within an industry or may reflect pathways to better wages for workers with documented skills that provide promotional opportunities within or across occupations with targeted upskill training.

(f) Requires the commissioner of education, commissioner of higher education, and chair of TWC jointly, not later than June 1, 2022, to make recommendations regarding the development of a modern and publicly accessible job skills inventory for public and private sector jobs in the state, including recommendations on:

(1) cataloging worker skills and matching those skills to public and private sector jobs in the state;

(2) creating skills profiles for all jobs and career pathways designated under Subsection (e) that are vital to the state; and

(3) identifying skills and competencies offered by each career education and training program in the state.

(g) Provides that Subsection (f) and this subsection expire September 1, 2023.

Sec. 2308A.007. CREDENTIAL LIBRARY. (a) Requires TEA, THECB, and TWC jointly to establish a publicly accessible web-based library of credentials, such as diplomas, certificates, certifications, digital badges, apprenticeships, licenses, or degrees, that are delivered, issued, funded, or governed by the state, are aligned with recognized skills and industry standards, are available to residents of the state, and are used by employers in the state.

(b) Requires TEA, THECB, and TWC jointly to designate a host agency or operating entity for the credential library.

(c) Requires that the credential library be updated at least once per year.

Sec. 2308A.008. INTERNET-BASED RESOURCES. (a) Requires TEA, THECB, and TWC to cooperatively establish Internet-based resources for the initiative. Requires that the resources include:

(1) a central Internet website for the initiative that contains information on the state workforce development goals and the strategies for achieving those goals developed under Section 2308A.006;

(2) 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;

(3) 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 data regarding degree and credential completion, employment status and industry of employment, and earnings over time;

(4) guidance supporting the use of data on the dashboard described by Subdivision (2) for greater accessibility for a wide range of public, practitioner, and legislative users;

(5) tools enabling residents of the state to explore careers that match the resident's education and skills and lead to a living wage, to identify and evaluate education and training opportunities related to the resident's career interests, and to connect to available jobs through existing job matching websites; and

(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.

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

(1) solicit public comment on the usefulness of the initiative's Internet-based resources; and

(2) in January of each even-numbered year, publish a summary of the initiative's Internet-based resources, including actions taken to increase the usefulness of those resources or address comments received under Subdivision (1).

Sec. 2308A.009. STUDENT SUCCESS REPORTING. (a) Requires TEA, THECB, and TWC to coordinate data collection and matching necessary to provide information to each public school and institution of higher education regarding the success of students

previously enrolled in a career education and training program offered by the school or institution with respect to critical student outcomes, such as degree and credential completion, employment status and industry of employment, and earnings over time.

(b) Requires the commissioner of education, commissioner of higher education, and chair of TWC to ensure that the information provided under Subsection (a) is provided in a manner that complies with applicable state or federal law regarding the privacy and confidentiality of student information.

(c) Requires the commissioner of education, commissioner of higher education, and chair of TWC jointly, in January 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 on the impact of career and education training programs on student success and the state workforce development goals.

Sec. 2308A.010. OPPORTUNITY FOR COMMENT. Requires TEA, THECB, and TWC jointly, at least 30 days before finalizing state workforce development goals, strategies for achieving those goals developed under Section 2308A.006, or a report under Section 2308A.009, to post on the initiative's and each respective agency's Internet website the proposed goals, strategies, or report and instructions for submitting comment on those items to the agencies.

Sec. 2308A.011. 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 progress toward meeting state workforce needs.

(b) Requires TEA, THECB, and TWC jointly to develop 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.012. 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.013. 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 the extent permissible under federal law, 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.014. 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.015. GIFTS, GRANTS, AND DONATIONS. (a) Authorizes TEA, THECB, and TWC to accept gifts, grants, and donations from any public or private source for purposes of the initiative.

(b) Requires TEA, THECB, and TWC to investigate potential sources of funding from federal grants or programs that may be used for purposes of the initiative.

SECTION 3. 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 work in consultation with employers as provided by this section to enhance and improve the reporting of employment and earnings data by employers to TWC as part of an employer's routine wage filings under Subtitle A (Texas Unemployment Compensation Act) or TWC rule and consistent with federal law and regulations. Requires that the enhanced wage filings include information related to occupation and other important employment information that would improve the state's labor market information.

(b) Requires TWC, in consultation with employers and human resource technology providers, to develop viable data priorities and standards for reporting and collecting enhanced wage filings described by Subsection (a).

(c) Requires TWC, not later than September 1 of each even-numbered year, to prepare and submit to the legislature and post on TWC's Internet website a report on employer participation in the enhanced wage filings described by Subsection (a), a cost-benefit analysis on the enhanced wage filings to the workforce planning process in the state, and any recommendations for legislative or other action to improve the enhanced wage filings.

(d) Requires TWC, not later than January 1, 2022, to design and implement a voluntary pilot program for the reporting and collection of enhanced wage filings described by Subsection (a). Requires TWC, to the greatest extent possible, to include a representative sample of employers in the pilot program.

(e) Requires TWC, not later than September 1, 2022, to submit to the legislature a report on the results of the pilot program and any recommendations for legislative or other action.

(f) Provides that Subsections (d) and (e) and this subsection expire September 1, 2023.

SECTION 4. Requires TEA, THECB, and TWC, not later than October 1, 2021, to hold the initial discussion required under Section 2308A.004, Government Code, as added by this Act.

SECTION 5. (a) Requires TEA, THECB, and TWC, not later than January 31, 2022, to develop 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 develop the initial strategies required under Section 2308A.006, Government Code, as added by this Act.

SECTION 6. Requires TEA, THECB, and TWC, not later than January 1, 2024, to establish the credential library required under Section 2308A.007, Government Code, as added by this Act.

SECTION 7. (a) Requires TWC, not later than September 1, 2022, to develop the data priorities and standards for reporting and collecting enhanced wage filings as required under Section 204.0025(b), Labor Code, as added by this Act.

(b) Requires TWC, not later than September 1, 2024, to submit TWC's initial report required under Section 204.0025(c), Labor Code, as added by this Act.

SECTION 8. (a) Requires TEA, THECB, and TWC to implement Sections 2308A.005, 2308A.007, and 2308A.008, Government Code, as added by this Act, only if:

(1) the legislature appropriates funds for that purpose;

(2) federal funding is provided to the agencies for that purpose as part of any federal coronavirus disease (COVID-19) relief spending; or

(3) the agencies receive gifts, grants, or donations for that purpose under Section 2308A.015, Government Code, as added by this Act.

(b) Authorizes, but does not require, TEA, THECB, and TWC, if funding described by Subsection (a) of this section is not appropriated or otherwise made available for the purpose described by that subsection, to implement Sections 2308A.005, 2308A.007, and 2308A.008, Government Code, as added by this Act, using other money available to the agencies for that purpose.

SECTION 9. Provides that TWC is required to implement Section 204.0025, Labor Code, as added by this Act, only if the legislature appropriates money specifically for that purpose. Authorizes, but does not require, TWC, if the legislature does not appropriate money specifically for that purpose, to implement that section using other appropriations available for that purpose.

SECTION 10. Effective date: September 1, 2021.