

## **BILL ANALYSIS**

Senate Research Center  
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C.S.H.B. 3767  
By: Murphy et al. (Bettencourt)  
Higher Education  
5/19/2021  
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 self-sufficient 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.

Overview of changes:

The Senate committee substitute for H.B. 3767 makes a series of changes to remove agency costs associated with the implementation of the legislation. These include making certain sections of the bill permissive and tasking individual agencies with taking leadership roles over certain development tasks. Examples include:

Rather than requiring the tri-agencies to create a workforce data repository, the committee substitute requires THECB to create a strategic plan for the operation of such a repository.

Rather than requiring the tri-agencies to create a credential library, TWC and THECB are given the ability to do so with input from TEA.

Rather than requiring the tri-agencies to create Internet-based resources, THECB is given the ability to do so with input from TEA and TWC.

Other changes include:

Modifying the student success reporting process to reduce costs for TEA and THECB while still ensuring that public schools and institutions of higher education have access to important outcomes data for their students.

Removing provisions that created a secure data portal, a governor's award for talent development, and agency reports.

Requiring that the agencies identify a self-sufficient wage for each county.

Modifying TWC's enhanced data collection to accompany the pilot program with an expression of legislative intent, rather than a mandate.

Adding the student success reporting to the sections of the bill subject to the fiscal responsibility amendment.

C.S.H.B. 3767 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 improve information and other resources as necessary to:

- (1) ensure that the use of state and federal education and workforce funds is efficiently aligned to achieve state workforce development goals;
- (2) align career education and training programs to workforce demands; and

(3) enable local and state policy makers to identify the workforce outcomes of participants in 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 existing staff and other resources 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. STRATEGIC PLAN FOR UNIFIED WORKFORCE DATA REPOSITORY. (a) Requires THECB to develop a strategic plan for the operation of a unified repository for education and workforce data. Requires THECB, in developing the plan, to solicit input from TEA, TWC, and relevant stakeholders.

(b) Requires that the plan developed under Subsection (a) include recommendations for:

(1) automatically matching records of TEA, THECB, and TWC at the student level on a timely basis;

(2) creating publicly available tools and resources regarding data on the outcomes of participants in career education and training programs, including graduation rates, student debt, employment status and industry of employment, and earnings over time, disaggregated to the extent practicable by income, race, ethnicity, and gender;

(3) making timely student data available to authorized entities to support higher education and workforce application, entry, and success; and

(4) creating and supporting 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.

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 self-sufficient 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.

Sec. 2308A.007. CREDENTIAL LIBRARY. (a) Authorizes 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) Authorizes THECB and TWC jointly to designate a host agency or operating entity for a credential library established under this section.

(c) Requires THECB and TWC, in establishing a credential library under this section, to solicit input from TEA and relevant stakeholders.

Sec. 2308A.008. INTERNET-BASED RESOURCES. (a) Authorizes THECB, using federal funding or gifts, grants, or donations available for the purpose, to establish Internet-based resources for the initiative. Authorizes the resources to 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 self-sufficient 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 THECB, in establishing Internet-based resources for the initiative under Subsection (a), to solicit input from TEA and TWC.

Sec. 2308A.009. STUDENT SUCCESS REPORTING. (a) Requires TEA and THECB, using federal workforce funds to the extent available for the purpose, to make available to each public school and institution of higher education information possessed by TEA, THECB, or TWC 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, including degree and credential completion, employment status and industry of employment, and earnings over time.

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

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

Sec. 2308A.011. 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 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. 2308.012. SELF-SUFFICIENT WAGE. Requires TEA, THECB, and TWC jointly to determine for each county the wage that constitutes a self-sufficient 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.013. 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) Provides that it is the intent of the legislature that TWC, subject to the availability of federal funding or other resources for the purpose, work with employers to enhance 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, not later than January 1, 2022, to, using existing staff and resources, 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.

(c) Requires TWC, not later than September 1, 2022, to inform the legislature, including the standing legislative committees with relevant jurisdiction, regarding the results of the pilot program and any recommendations for legislative or other action.

(d) Provides that Subsections (b) and (c) 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 THECB, not later than August 1, 2022, to develop the strategic plan for the operation of a unified repository for education and workforce data required under Section 2308.005, Government Code, as added by this Act.

SECTION 7. (a) Provides that TEA and THECB, as applicable, are required to implement Sections 2308A.005 and 2308A.009, Government Code, as added by this Act, only if:

(1) the legislature appropriates funds for that purpose; or

(2) the agencies receive gifts, grants, or donations for that purpose under Section 2308A.013, Government Code, as added by this Act.

(b) Authorizes, but does not require, TEA and THECB, 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 and 2308A.009, Government Code, as added by this Act, using other money available to the agencies for that purpose.

SECTION 8. Effective date: September 1, 2021.