

# HB 1703 - Rep. Ordaz

## Leveraging Data to Improve State Workforce Programs



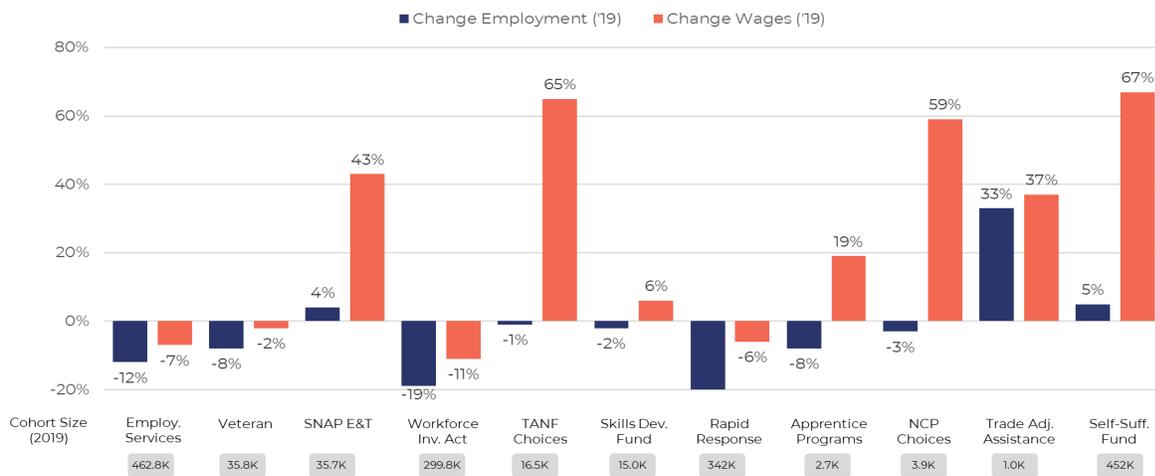
### KEY TAKEAWAYS

- The state's Workforce Development Evaluation System (WDES) shows that certain workforce programs lead to worse employment and wage outcomes for Texans after exiting the program.
- The data produced by the WDES is insufficient to be used to ensure state workforce programs are improving Texans' ability to get meaningful, well-paying careers.
- Updates to the WDES can lead to more efficient management of state workforce development programs, ultimately producing a more talented workforce.

### Background

An annual average of nearly 1.3 million Texans exited a state workforce development program between 2017 and 2019. Not all Texans served came out with better employment or wage outcomes, however. In 2019, the programs with the largest cohorts and veterans programs reported lower employment and wage levels for program participants.

Workforce Development Program Employment & Wage Outcomes, 2019



The Texas Workforce Commission's Workforce Development Evaluation System (WDES) regularly reports these employment and wage outcomes data for the purpose of determining the efficacy of and need for specific workforce development programs. WDES data is not currently sufficient to inform programmatic changes. Specifically, the way the data is structured does not allow for useful evaluation of program outcomes.

### Proposed Action

House Bill 1703 by Rep. Ordaz seeks to update the WDES so that it can be used to ensure taxpayer dollars are optimized and program participants successfully obtain jobs with better wages. HB 1703 requires:

- disaggregation of outcomes data by race, ethnicity, gender, income, and region;
- improved reporting structures for outcomes data allowing for targeted program assessment; and
- measurement of wage outcomes in relation to a self-sufficient wage, defined as a wage high enough allowing a Texan to afford basic needs without state public assistance.

### Public Policy Impact

Texas spends more than \$110 billion annually in local, state, and federal tax revenues on its education-to-workforce pipeline. Recent legislative action has helped improve data quality to ensure programmatic effectiveness for public education and higher education, but the workforce development data has not yet been optimized. Ensuring quality data is essential for lawmakers and the agency to know what is or isn't working and what needs to be changed to efficiently improve program outcomes. An improved WDES will ultimately help strengthen the state's workforce development programs, which will produce a more talented workforce needed to attract skills-intensive, high-paying jobs.