



July 2, 2026

The Honorable Lois Kolkhorst, Chair
The Honorable Lacey Hull, Vice Chair
Members of the Sunset Advisory Commission
P.O. Box 13066
Austin, Texas 78711

RE: Texas 2036 & Coalition Partners Comment on the TWC and TWIC Sunset Staff Report (Workforce Focus)

Chair Kolkhorst, Vice-Chair Hull, and Members of the Sunset Advisory Commission:

On behalf of Texas 2036 and the undersigned business, education, and civic organizations, we thank and commend the staff of the Sunset Commission (Sunset) for their comprehensive and well-reasoned review and recommendations in their evaluation of the Texas Workforce Commission (TWC) and the Texas Workforce Investment Council (the council).

We appreciate the opportunity to comment in support of many of the staff report's initial findings and recommendations, and to offer a focused set of suggested amendments around optimizing the state's workforce data and information systems and connected bureaucratic infrastructure that are necessary to measure performance, generate insight, and drive decision-making that maximizes Texas' over \$100 billion in annual investments in education and workforce programs.¹

This need is neither abstract nor distant. Two major efforts now depend directly on the data systems at issue in this review. First, Texas' signature community college finance reform (HB 8, 88-R) funds institutions based on graduates' attainment of "credentials of value," proven through earnings, for both traditional longer-term degrees and short-term workforce credentials. Second, the new federal Workforce Pell program (effective July 1, 2026) will require the state to verify whether short-term programs actually lead to jobs and earnings. Both rest on the same capability: linking program completers to enhanced wage records and connecting education and workforce data across agencies.²

¹ Texas 2036 estimate for FY 2024, based on the Texas Education Agency's Public Education State Funding Transparency report (December 2025), the Legislative Budget Board's (LBB) Fiscal Size-Up publications for 2024-25 and 2026-27 biennia, 2024-2025 General Appropriations Act, and LBB Legislative Budget Estimates by Program Articles VI to X Fiscal Years 2023 to 2027 (January 2025). The estimate, which includes state, federal, and local funds, covers PK-12 public education (\$89.49 billion), higher education (\$15.15 billion), and workforce development (estimated \$3.3 billion in FY2024 in TWC workforce training and development services, excluding employer-funded Unemployment Insurance and certain ancillary services).

² Under Workforce Pell, a program's continued eligibility ultimately turns on whether its cost exceeds graduates' "value-added earnings." To calculate the required outcomes, states may need to enhance existing administrative collections, including by adding occupational elements to unemployment insurance wage

The stakes run well beyond any single program. Texas' labor market is evolving quickly, and keeping the state's competitive edge depends on real insight into which jobs are in demand, what skills they require, and whether Texans are prepared to fill them. Modern, connected data systems make that insight possible; fragmented, compliance-oriented systems do not. The Governor's Texas Jobs Council directives released in late June point in the same direction, calling for a one-stop career planning hub, digital Learning and Employment Records through the Tri-Agency Workforce Initiative, and a sharper focus on high-demand occupations. Many of those efforts will succeed only if Texas' enhanced workforce data is well-integrated and accessible, not only within TWC but with the external partners who help Texans navigate to good jobs.³

Supported Recommendations

We were encouraged that the initial report independently identified data governance and information systems as a core challenge, as well as identifying the myriad oversight and coordination issues that make it difficult for TWC and the Legislature to get a clear picture of what is working and what is not at local workforce development boards (LWDBs).

The report found in Issue 4 that TWC's ineffective data governance structure and framework "prevents the agency from generating accurate, cross-program insights regarding service delivery" and "results in permanent data silos" (p. 72). Issue 1's findings and recommendations push in service of "[b]etter communication and coordination between TWC, LWDBs, and direct-service providers [that] would avoid preventable problems, saving time and money for the state" (p. 23) and giving the public "more specific and detailed insights into LWDB performance" (p. 31) than the current approach which provided "little insight into areas for improvement" and "failing to meet statutory requirements" (p. 29). These findings validate our own observations, and the report's recommendations to address these issues are a meaningful step.

Accordingly, we respectfully offer our support and feedback with the intent that these recommendations reach their full potential.

- **Modernizing TWC's data infrastructure (Issue 4).** We strongly support the Issue 4 recommendations, particularly **Recommendation 4.6** (requiring vendors to provide data dictionaries and direct technical access "to eliminate data silos and ensure transparency" (p. 74)) and **Recommendation 4.9** (completing a unified data model and establishing "a secure, functional pathway for LWDBs to access real-time data" so that "a single, accurate version of performance data is available across the entire workforce system" (p. 75)). We support these recommendations and offer the proposed

records, which is the enhanced data Texas has already directed TWC to collect under Senate Bill 1786 (89R - 2025). An initial grace period allows states to rely on simpler employment metrics, for example whether a completer is employed in the second quarter after exiting a program, before the full earnings-based standard applies. See the federal Workforce Pell rules and guidance developed through the U.S. Department of Education's negotiated rulemaking (the AHEAD committee); the Workforce Pell Data Collaborative, *Model Workforce Pell Data Framework* (Employment & Pathway Outcomes pillar); and the Data Quality Campaign.

³ Office of the Texas Governor, "Governor Abbott Issues Agency Directives To Prepare Texans For High-Demand Jobs" (June 2026). The Texas Jobs Council's recommendations were developed in coordination with TWC, the Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Department of Licensing and Regulation.

modifications below to strengthen them, ensuring the unified data model carries the data the Legislature has already directed TWC to collect, serves the full workforce system rather than a single set of partners, and is shaped by the people who must use it.

Connected to the charge of modernizing workforce data systems, we also strongly support **Recommendation 9.3** under Issue 9 (p. 124), which would replace the outdated Automated Follow-Up and Evaluation System with “a more flexible requirement that TWC, in collaboration with THECB, ensures the continuous availability of integrated data for the evaluation of workforce development and education programs.” This is the report’s most direct call for the interagency, integrated data capability Texas needs, complementing the internal data modernization recommended in Issue 4. The staff’s own findings make the case: the agency maintained the old system “solely to comply with statute,” yet capturing what happens to Texans after they exit education and training “remains a high priority” (p. 122).

- **Strengthening LWDB oversight and transparency (Issue 1).** We support the recommendations to improve TWC’s oversight of and coordination with local workforce development boards, including Recommendation 1.1 (consolidating oversight authority), **Recommendation 1.2** (re-establishing a LWDB Advisory Committee), Recommendation 1.5 (addressing repeat or long-term poor performance), and especially **Recommendation 1.4**, updating the requirement for TWC to publish LWDB performance data. Public reporting of board performance is a concrete accountability gain, and TWC’s move toward public performance dashboards is a step we support. We particularly welcome the return of a standing feedback channel between TWC and the boards, which the report shows has been missing, and we suggest below that its charge expressly include the usability of the agency’s data.

Suggested Amendments to Recommendations

Recommendation	Proposed Modification	Rationale
9.3 (p. 124)	Insert the following language: “In ensuring the continuous availability of integrated data for the evaluation of workforce development and education programs, TWC and THECB, in coordination with the Texas Education Agency and other relevant partners as appropriate, shall ensure that the integrated data is usable, timely, and accessible to the agencies, institutions, employers, and members of the public who rely on it for decision-making, and shall designate an entity	Recommendation 9.3 establishes the principle of replacing a compliance-era system with continuously available, integrated data produced through interagency collaboration. Staff found the old system was kept “solely to comply with statute” and that modernizing it would let agencies “share data more effectively” through tools like online dashboards (p. 122). To realize that benefit, the requirement should reach beyond availability for internal evaluation to usable, timely

	responsible for producing and maintaining the resulting interagency analyses and for delivering timely, relevant insights to policymakers, practitioners, and the public.”	insight for decision-makers across the system, name who is accountable for producing it, and broaden the collaboration to at least include TEA. The governance of that entity, discussed below, will determine whether the modernized evaluation produces decision-ready intelligence rather than another underused report.
4.9 (p. 75)	Modify the language establishing “a secure, functional pathway for LWDBs to access real-time data” to read, in relevant part: “...a secure, functional pathway for LWDBs and, as appropriate and consistent with state and federal law, for other workforce-system partners (including the Texas Higher Education Coordinating Board (THECB), the Texas Education Agency (TEA), public universities, technical colleges, and community colleges) and for employers and the public through appropriate aggregate and de-identified means, to access timely data.”	Recommendation 4.9 already accepts the principle that a single, accurate source of workforce data should be securely accessible across the workforce system. The same logic that justifies real-time access for local boards applies to the agencies, institutions, and employers that rely on this data to align education and training with labor-market needs, and to the public that funds these programs. Extending access through governed, de-identified channels turns the unified data model into a statewide asset while preserving the confidentiality protections appropriate for sensitive records.
4.9 (p. 75)	Insert the following language: “The unified data model and the Enterprise Data Warehouse (or separate secure analytics environment) shall be designed to ingest, standardize, and carry the enhanced employment and wage data TWC is directed to collect under Senate Bill 1786 (89-R), including occupation, wage, industry, employment status, and work location.”	The Legislature has already directed TWC to collect substantially richer wage-record data. Building the unified data model to carry that data ensures the “single, accurate version of performance data” contemplated by 4.9 reflects the more detailed information the state is now collecting, and avoids a costly mismatch in which enhanced data is collected but cannot flow through the modernized infrastructure. This alignment serves two converging priorities: the state’s community college finance reform (HB 8) already

		uses TWC wage data to identify which credentials deliver a return on investment, and the new Workforce Pell program will increasingly rely on program-level earnings outcomes as its initial grace period phases out. Building the unified data model to carry this data positions Texas to support both efforts with rigor rather than retrofitting its systems later.
4.9 (p. 75)	Insert the following language: “TWC shall establish a structured, recurring process to gather feedback from LWDBs and other data users on the usability and relevance of the data products generated from the unified data model, and shall incorporate that feedback into system and product design.”	Rec 4.9 aims to give local partners “a single, accurate version of performance data” and to “eliminate the need for manual data reconciliation by local partners.” A feedback loop ensures those products actually meet users’ needs and stay relevant for decision-making, turning data into usable insight rather than reports produced because they are required. It reinforces, at the agency’s data-governance level, the same fitness-for-use principle proposed above for the LWDB Advisory Committee (Rec 1.2).
1.2 (p. 30)	Insert the following language: “Direct TWC to charge the new LWDB Advisory Committee with providing regular, structured feedback on the usability, timeliness, and relevance of TWC’s data systems and data products for local decision-making, and to establish a routine process for TWC to act on that feedback.”	The report finds TWC has “no active statutory channel to solicit feedback from LWDBs as a group” and documents the resulting harm, including a board report left unavailable for two years that forced contractor staff to “manually reconcile information in Excel spreadsheets” (p. 23). Re-establishing the advisory committee (Rec 1.2) is the right step. Charging it to evaluate the fitness-for-use of the agency’s data products ensures the committee closes the exact gap the report identifies, complements Rec 4.9’s goal of eliminating manual

		reconciliation, and guards against repeating the documented failure of data products built for compliance rather than use.
1.4 (p. 30–31)	Insert the following language: “Direct TWC to establish standardized, common definitions and reporting requirements for the LWDB performance data it publishes, so that published performance information is consistent and comparable across all 28 local workforce development areas.”	Public performance data, and the oversight goals in Recommendations 1.1 and 1.5, are only meaningful if a given measure means the same thing in every local area. The report itself documents inconsistency across boards, including the finding (Issue 5) that Texas has “28 different standards for investigating child care fraud” (p. 80). Standardizing the data layer makes published performance genuinely comparable and actionable for the public, TWC, and the Legislature, without constraining how boards design local services.

New Issues for Sunset Commission Consideration

Recommendation 9.3 points toward the most important opportunity in this review. By replacing the outdated Automated Follow-Up and Evaluation System with a flexible requirement that TWC, in collaboration with THECB, ensure “the continuous availability of integrated data for the evaluation of workforce development and education programs” (p. 124), the report endorses exactly the kind of interagency, integrated data capability Texas has long lacked. The staff’s findings underscore both the need and the path: the old system was maintained “solely to comply with statute,” capturing post-exit outcomes “remains a high priority,” and moving off the 23-year-old architecture would let agencies “share data more effectively” through tools like online dashboards (p. 122).

Realized well, this shift from a compliance-only mindset toward effective cross-agency data sharing by design has two ends:

1. **Greater Transparency and Performance Management:** Policymakers, agency staff, education and workforce training providers, and the public should be able to discern when Texas's large investments in education and workforce programs are producing intended results – and when they aren’t. For education and workforce agencies, including TEA, THECB, and many of the state’s professional licensing agencies, obtaining workforce data is a complex, time consuming, and often fruitless endeavor that prevents clear assessment of whether state investments are working. For educational institutions – particularly our community colleges – agency-level reluctance to share student outcomes data prevents our institutions of higher education from improving outcomes and meeting the workforce demands of Texas employers. For the lawmakers, employers, and the public, there are few routes

toward accountability when data siloes block evaluation of state education investments. This can all change with a mandate for TWC to (a) have a rebuttable presumption to share its data with state agencies and educational institutions, and (b) make available disaggregated performance outcomes to lawmakers, businesses, and the public.

The staff report already takes a step toward public transparency with Recommendation 1.4's call for public, comparable LWDB performance data. But this recommendation will close only one of many data siloes that inhibit the proper utilization of state workforce data to improve government efficiency and student outcomes. By expanding the data integration and transparency efforts across state agencies and educational institutions – and by allowing appropriate public-facing performance data – the already-strong recommendations in the staff report can produce great efficiencies in state government.

- 2. Education and Workforce Planning Support:** In addition to allowing for greater transparency regarding outcomes, a shift toward integrated, transparent data would allow colleges, high schools, businesses, and economic development entities to better coordinate workforce training efforts around actual workforce needs. The state continues to make major biennial investments in closing workforce gaps, including recent efforts to align community college funding toward credentials with workforce value (HB 8, 88-R), creation of a Texas State Technical College endowment (SJR 59, 89-R), and the expansion of high quality CTE in Texas public high schools (HB 2 and HB 120, 89-R). These initiatives – supported by billions in state appropriations – only meet their full potential if the training programs actually align with the jobs of today and tomorrow. Public-facing data, made available to employers, colleges, high schools, and economic development entities can harness the power of TWC data – currently trapped in a compliance-mindset lockbox – and instead use it to fuel the next generation of the Texas workforce miracle.

Our proposed amendment to Recommendation 9.3 (above) would direct the state to make this integrated data usable, timely, and accessible by default. Likewise, we would propose that the Sunset Commission designate an entity accountable for producing the resulting interagency analyses. Given that this is a review for TWC and TWIC, either of those entities could be appropriate. The mandate – not necessarily the host agency – is the most important component.

Experiences in other states point toward TWIC or a similar neutral party (like the Governor's Office of Economic Development or the Department of Information Resources) as strong candidates for cross-agency data integration and performance evaluation. Because the capability spans multiple agencies' data and serves many users, other states have often utilized a neutral, independent body, rather than a single partner agency whose own programs it would theoretically evaluate. TWIC has existing planning and evaluation duties as the state's workforce development board, but could be positioned perfectly with its current policymaking body composed of a variety of public labor, business, and education representatives as well as the presiding officers at TWC, TEA, THECB, Texas Health and Human Services Commission (HHSC), and the Governor's Office of Economic Development– leading entities whose data and input would be critical in driving the agenda of stewarding and producing these interagency data insights.

Even in a scenario where a partner agency, like THECB or TWC or TEA, take on the bureaucratic functions of implementing and administering this integrated, interagency data capability, governance for this particular capability should include leadership from the relevant partner agencies contributing data to the system as well as external representation in the form of the employers, economic development entities, education and workforce providers, and local leaders who would use these data products and insights.

This is squarely within the Sunset Commission's power to set in motion. This Sunset process is a rare moment when the Legislature reexamines the structure of the workforce system as a whole, and the interoperability Texans need will not happen by leaving each agency to act alone. We urge the Sunset to use this review to direct the creation of a durable, independent home for Texas's education and workforce data. We would welcome the opportunity to work with the Sunset Commission and the Legislature to get the structure right.

Conclusion

The staff report names the data-governance and its connected bureaucratic problems clearly. The suggested changes above are offered to help ensure the resulting reforms turn TWC's data into the timely, usable, and shared insight that Texas employers, workers, students, and taxpayers deserve. Again, we appreciate the Sunset Commission and staff's work on this review and the opportunity to comment. Please let us know if we can be a resource on any of these issues and we look forward to working together.

Respectfully submitted,

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Supporting Organizations:

