

Modernizing Texas' Workforce Data

KEY TAKEAWAYS

- Texas invested an estimated \$108 billion in FY2024 in education and workforce programs, yet it needs better data and data integration to reliably verify how those investments translate into good jobs and earnings.¹
- Texas, via recently passed legislation and the ongoing Sunset review, is in the process of modernizing its workforce data on two connected fronts captured in TWC's budget request: **collection of richer wage data** (enhanced workforce data implementation, included in base request) and **building the systems to unify and use it** (Exceptional Item #1's Subitems (b), (f), and (g)).
- Texas 2036 supports three capital subitems in Exceptional Item #1 totaling about \$27.8 million in All Funds (\$2.85M in GR-D), with no new FTEs: **Subitem (f) Master Data Management** (\$5.0M), **Subitem (g) Enterprise Data Warehouse enhancements** (\$5.17M), and **Subitem (b) Talent Marketplace** (\$17.65M).
- Texas 2036 also supports continued funding included in the base request to **implement enhanced workforce data** (\$317,593 in FY2028), pursuant to SB 1786 (89R) and TWC Rider 54 (2026-27 GAA).

BACKGROUND

The Sunset Commission's initial staff report found **TWC's ineffective data governance structure "prevents the agency from generating accurate, cross-program insights regarding service delivery and resulting in permanent data silos."** TWC's own LAR states that the agency manages roughly 30 million customer records across disparate legacy systems, with no single source of truth.

Between the steps taken by the Texas Legislature in recent years, including SB 1786 (89R) which directed Texas to collect enhanced wage data, and the ongoing Sunset review, Texas has the opportunity to modernize the state's workforce data systems necessary to measure performance, generate insight, and drive decision-making to maximize Texas' return on its investments in education and workforce programs.

TWC's budget request takes steps to continue implementation of enhanced workforce data and requests funding for exceptional item subitems that would rebuild these systems to unify and utilize this rich data.

\$2.85M

in GR-D (Fund 165) of the total \$27.8M for Exceptional Item #1 subitems (b), (f), & (g); the rest is federal and other funds, with no new FTEs.

TWC FY2028-29 LAR, Exceptional Item #1 sub-requests (b), (f), (g)

PROPOSED ACTION

Texas 2036 recommends adoption of funding to continue implementation of enhanced workforce data included in TWC's base request, as well as the three related subitems of Exceptional Item #1: Subitem (f) Master Data Management (MDM), Subitem (g) Enterprise Data Warehouse (EDW) enhancements, and Subitem (b) Talent Marketplace.

Subitem (f) on MDM is TWC's direct response to the Sunset staff report recommendation 4.9 to create a **unified, cross-program data system**. Subitems (g) and (b) seek to use TWC data to better serve Texans by **enhancing the EDW to enable advanced analytical capabilities** and by **replacing the WorkInTexas.com site with a modern, skills-based Talent Marketplace**.

The funding requested to continue enhanced wage data implementation **ensures richer wage data capturing critical information like occupation and job location** is not only flowing into these TWC systems, but also driving insights and decision-making around outcomes from the state's education and workforce programs.

BUDGET COST ESTIMATE

- Continued Enhanced Workforce Data Implementation **(Included in Base): \$317,593 in FY2028.**
- Exceptional Item #1(f), (g), (b) Combined: about \$27.8 million All Funds, no new FTEs (\$2.85M GR-D)
 - Subitem (f) MDM: **\$5.0M (\$2.46M Fund 165 + \$2.55M federal)**;
 - Subitem (g) EDW Enhancements: **\$5.17M (\$0.40M Fund 165 + federal/other)**;
 - Subitem (b) Talent Marketplace: **\$17.65M (100% federal)**.

PUBLIC POLICY IMPACT

Together, collecting better wage data and building the systems to use it lets the state better connect its education and workforce investments to more useful results, allowing for **more timely, relevant, and intelligent insights and decision-making for local workforce boards, colleges, ISDs, employers, and the Legislature**. Continuing ongoing workforce data modernization efforts and funding these exceptional item subitems informed by Sunset's findings and recommendations not only **improves the state's return on its education and workforce investments**, but helps build the **foundation for the workforce data systems that need to be responsive to a rapidly evolving labor market**.

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).

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

Rahul Sreenivasan, Director of Government Performance & Fiscal Policy

Rahul.Sreenivasan@Texas2036.org • 512.791.0699

206 East 9th Street
Suite 1500
Austin, TX 78701