



SB 1143 (Blanco), HB 3173 (Talarico)

Relating to certain planning, notification, and evaluation requirements with respect to workforce development programs in this state.

BACKGROUND

Opportunity Youth and Young Adults (OYYA), aged 16-24 and neither in school nor employed, comprise 13.1%¹ of Texas' young adult population—about half a million individuals. This exceeds the national average of 10.9%². While rural areas have higher rates of disconnection, most OYYA reside in urban centers due to population density. The Texas Legislature has prioritized workforce productivity in 2024, recognizing that OYYA disengagement threatens future economic productivity and tax revenue. In fact, at 28 years old, Texans who had been disconnected **make on average only \$20,894 annually—over \$16,000 less than their peers who had not experienced disconnection.**³

Federal Workforce Innovation and Opportunity Act funds, distributed by the Texas Workforce Commission (TWC) through the 28 local workforce development boards (LWDBs), are the primary funding source for OYYA programs. Texas allocates over \$80 million in WIOA funds annually, largely aimed at reconnecting these young people. However, systemic challenges impede effective resource utilization.

Current law doesn't require entities providing job creation subsidies to notify local workforce officials, hindering timely preparation of support services. Moreover, while LWDBs track WIOA spending, the TWC doesn't report this data comprehensively, limiting program evaluation and replication of successful initiatives. Strategic planning for OYYA engagement varies among LWDBs, with some reporting positive outcomes while others lack focused strategies.

PROPOSED POLICY RECOMMENDATIONS

Children at Risk proposes three specific policy reforms for the 89th Texas Legislature:

- **Fiscal Transparency**
 - Mandate the aggregation of already existing data on workforce spending, activities, and collaboration for young Texans (16-24)
 - Improve program evaluation and make information more accessible to policymakers and other stakeholders
 - Enable data-driven decision-making and resource allocation
- **Strategic Planning**
 - Require local workforce boards to include strategies for engaging Opportunity Youth and Young Adults in their strategic plans
 - Promote consistent, targeted approaches to address OYYA needs statewide
 - Facilitate the replication of successful initiatives across different regions
- **Workforce Productivity & Community Engagement**
 - Require notification to workforce officials when large-scale subsidized job creation (over 100 jobs) occurs
 - Allow better preparation for workforce needs, including job training, childcare, and transportation support

These policy reforms aim to improve coordination between economic development and workforce readiness, increase OYYA workforce participation, and ultimately boost Texas' economy in the long term.

¹ IPUMS American Community Survey 2018-2022; Children at Risk Opportunity Youth Legislative District One-Pagers

² Measure of America, [Youth Disconnection in America \(measureofamerica.org\)](https://www.measureofamerica.org/youth-disconnection-in-america)

³ ESTOY project, data from UT Austin's Texas Education Research Center. <https://sites.utexas.edu/raymarshallcenter/>

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