

BILL ANALYSIS

Senate Research Center
89R2214 RDS-F

S.B. 1143
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Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas' workforce development programs are vital to preparing young individuals—particularly those classified as "opportunity youth"—for successful careers. Opportunity youth, defined as individuals aged 16 to 24 who are neither in school nor employed, face significant barriers to economic stability. In Texas, 13.7 percent of young adults fall into this category, exceeding the national average of 12.1 percent. This high rate of disengaged youth threatens the state's long-term economic growth and workforce readiness.

However, a lack of targeted planning, accountability, and coordination between governmental entities and workforce development boards has hindered efforts to support this population.

S.B. 1143 introduces three key reforms to close these gaps and ensure that the next generation of Texas workers is equipped with the skills and opportunities needed for success. The bill would:

- Establish specific goals and performance metrics for workforce development plans that address young workers.
- Improve coordination by requiring notification to the Texas Workforce Commission and relevant local workforce boards when financial incentives result in the creation of 100 or more new jobs.
- Mandate annual evaluations of workforce programs to assess effectiveness, track outcomes, and strengthen partnerships with schools, higher education institutions, and employers.

Findings from these evaluations must be made publicly available and submitted to the legislature, ensuring data-driven policymaking that supports workforce development and economic growth in Texas.

As proposed, S.B. 1143 amends current law relating to certain planning, notification, and evaluation requirements with respect to workforce development programs in this state.

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. Amends Section 2308.304, Government code, by adding Subsection (c-1), as follows:

(c-1) Requires that a plan, in establishing goals, objectives, and performance measures for segments of the population under Subsection (c) (relating to requiring the plan to specify how all of the available resources from the Texas Workforce Commission (TWC) will be used to achieve the goals and objectives of the plan for the area), establish specific goals, objectives, and performance measures for individuals who are at least 16 years of age but younger than 25 years of age.

SECTION 2. Amends Chapter 2308, Government Code, by adding Subchapter H, as follows:

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SUBCHAPTER H. DUTIES OF GOVERNMENTAL ENTITIES TO LOCAL
WORKFORCE DEVELOPMENT BOARDS AND DIVISION

Sec. 2308.351. NOTICE OF FINANCIAL INCENTIVE. (a) Defines "commission," "financial incentive," and "governmental entity."

(b) Requires a governmental entity that provides a financial incentive that results in the creation of at least 100 estimated new employment opportunities, not later than the 30th day after the date the governmental entity approves the financial incentive, to notify TWC and any local workforce development board operating in a workforce development area where the financial incentive is distributed of the plan to distribute the financial incentive.

(c) Requires that the notice required by Subsection (b) include the estimated number of new employment opportunities the financial incentive will create, the estimated start date for each new employment opportunity created by the financial incentive, and a description of the skills and training necessary for applicants for each new employment opportunity created by the financial incentive.

SECTION 3. Amends Subchapter E, Chapter 302, Labor Code, by adding Section 302.087, as follows:

Sec. 302.087. EVALUATION OF WORKFORCE DEVELOPMENT ACTIVITIES. (a) Requires TWC to annually evaluate the effectiveness of TWC's workforce development program and the best practices for allocating workforce development funds to and by local workforce development boards to meet the current and projected workforce needs of employers in workforce development areas and provide workforce development services to individuals who are at least 16 years of age but younger than 25 years of age.

(b) Requires that the evaluation under Subsection (a) include certain data, assessments, and examples.

(c) Requires TWC to make the evaluation conducted under Subsection (a), any information collected in the course of conducting the evaluation, and any findings of TWC arising from the evaluation readily available to local workforce development boards, employers, institutions of higher education, school districts, open-enrollment charter schools, and the public.

(d) Requires TWC to, not later than January 15 of each odd-numbered year, make a report to the legislature detailing TWC's findings on the effectiveness of TWC's workforce development program. Requires that the report include certain information.

SECTION 4. Effective date: September 1, 2025.