



RECOMMENDATIONS FOR THE 85TH TEXAS STATE LEGISLATURE TO MEET THE TALENT NEEDS OF TEXAS EMPLOYERS BY BUILDING THE SKILLS OF IMMIGRANTS AND OTHER WORKERS IN THE STATE

Home to the corporate headquarters of [54](#) Fortune 500 companies, Texas ranks as the world's [12th](#) largest economy. Increasing the capacity of the state's workforce, including immigrants, is one strategy to meet the talent needs of employers in the state and continue its economic might.

Texas has experienced a recent immigration boom. In 2014, [16.8](#) percent of the Texas population were foreign-born, an increase of nearly 56 percent since 2000. Approximately 83 percent of foreign-born Texans were ages 18-64, compared to nearly 58 percent of native-born Texans. About [67](#) percent of foreign-born Texans were in the civilian labor force.

While the immigrant workforce in Texas is contributing to the state's economic growth, more can be done to maximize the contributions of these individuals, leading to increased economic security and opportunity for all Texans. The National Immigration Forum consulted with 24 stakeholder organizations in Texas to develop an understanding of the workforce challenges facing the state's employers and to identify policy and programmatic opportunities and challenges to developing the skills of Texans, including immigrants. These stakeholders were business, workforce, and education leaders as well as immigrant-serving organizations. Based on our research, we recommend the 85th Texas State Legislature take the following steps:

1. Double the state investment in adult education and literacy programs to \$24 million to build English and other basic skills of Texans, and double the number of certificates of high school equivalency awarded.
2. Increase funding for the Accelerate Texas Initiative to \$20 million to build the workforce skills of Texas workers, including immigrants who are limited English proficient.
3. Invest \$8 million to assist local school districts with increasing the number of guidance counselors and five percent or \$1 million of the state set-aside under the Workforce Innovation and Opportunity Act to provide robust career information to students and their families to support implementation of House Bill 5.
4. Direct the Texas Education Agency, the Texas Higher Education Coordinating Board and the Texas Workforce Commission to jointly assess Post-Secondary Career and Technical Education Programs.
5. Increase investment in the Skill Development Fund to \$71,481,891 and set-aside 15 percent to reduce barriers for foreign-trained immigrants to maximize their workforce contributions.

Recommendation 1: Double State Investment in Adult Education and Literacy Programs to \$24 million for the Fiscal Years 2018-2019 Biennium to Build English and Other Skills of Texans, and Double the Number of Certificates of High School Equivalency Awarded.

Adult Education and Literacy programs build the basic skills of adults in the U.S., including immigrants, to meet employers' needs by increasing their English language skills, helping them achieve their high school diploma or the equivalent, and/or increasing their literacy and numeracy skills. Between 2009 and 2013, approximately [3,364,000](#) Texans ages 16 and older did not have a high school diploma or equivalent and were not enrolled in school, of which about 1,646,000 were limited English proficient. All of these Texans met the eligibility for adult education and literacy programs.

Recent data confirm the overwhelming demand for these programs. As the National Council of State Directors of Adult Education found in its [2009-2010 Adult Student Waiting List Survey](#), Texas had a waiting list of 11,431 people for the Adult Education and Family Literacy programs, including 5,497 people for the English as a Second Language program. Further, according to the Houston Center for Literacy, about 26,000 to 42,000 Texans were on [waiting lists](#) for federally and non-federally funded adult education programs in 2012. To address the increasing need and demand for adult education, Texas should boost its investment in these programs.

Federal and state funds support Adult Education and Literacy programs. The [federal](#) funding has been provided through two grant programs established under Title II of the Workforce Innovation and Opportunity Act (WIOA). One is a grant to states under Adult Education and Family Literacy Act (AEFLA) and the other is for integrated English literacy and civics education.”¹

In addition to federal funds, each state can also allocate money from its own budget to improve outcomes of the programs. In Texas, legislators enacted [state Senate Bill \(SB\) 307](#) in 2013, assigning responsibility for adult education in the state to the Texas Workforce Commission (TWC). Since then, the TWC has been administering and overseeing the state's adult education and literacy programs as well as related skill training services, including all the state and federal funds for these programs. Table 1 summarizes all funds allocated to Texas Adult education programs through both federal and state funds between fiscal years 2014 and 2016.

¹ The AEFLA state grants are formula grants based on the number of adults ages 16 and older in each state who do not have a high school diploma or equivalent and are not enrolled in school. The funds can be used to finance three types of programs - adult basic education, adult secondary education, and English language acquisition. The second grant is for integrated English literacy and civics education programs. It is also a formula grant program and is based on the state's need for "integrated English literacy and civics education. Such [need](#) has been determined by calculating each state's share of immigrants admitted for lawful permanent residence (LPR) in the 10 most recent years based on United States Citizenship and Immigration Services (USCIS) data and the state's recent growth among LPRs as measured by the average of USCIS data available for the three most recent years.

Table 1. Funding for Texas Adult Education and Literacy Programs Under Title II of the Workforce Innovation and Opportunity Act in FY 2014-2016			
	2014	2015	2016
Total Federal Contribution²	<u>\$54,072,764</u>	<u>\$56,296,032</u>	<u>\$59,196,402</u>
Total State Contribution	<u>\$13,895,176</u>	<u>\$13,915,145</u>	<u>\$11,959,992</u>
<u>Total</u>	<u>\$67,967,940</u>	<u>\$70,211,177</u>	<u>\$71,156,394</u>
Individuals served	76,942	78,385	101,000 (expected)

As Table 1 shows, total funding for Texas' adult education and literacy programs increased by nearly \$3.2 million between Fiscal Years 2014-2016. During this time, the boost in funding was due to an almost 9.5 percent increase in federal funds allocated to the programs based on the statutory formula that takes into account the need for these services within the state. In fact, Texas decreased its state contribution to these programs by nearly 14 percent during this period. Overall, the total number of Texans served by the adult education and literacy funding is just a fraction (3 percent) of those who could be eligible for the programs ([3,364,000](#) individuals in 2009-2013).

The 85th Texas Legislature should double the state contribution to the adult literacy and English language programs to build the English and other skills of Texans, including immigrants, to \$24 million for the Fiscal Years 2018-2019 biennium. Doing so would provide an estimated additional 14,000 eligible people to build their basic skills, increase attainment of high school equivalency, and improve English language skills. However, despite this projected increase, about 96.6 percent of eligible Texans would still not be served. Still, increasing the state investment in adult education programs ensures that more Texans, including immigrants, have critical basic skills to meet the talent demands of employers.

Recommendation 2: Increase Funding for Accelerate Texas Initiative to \$20 million for the Fiscal Years 2018-2019 Biennium to Build Workforce Skills of Texas Workers, Including Immigrants Who Are Limited English Proficient.

Through the [Accelerate Texas \(ATX\) initiative](#), Texas is developing an important pipeline of workers, including those who are under-skilled or under-employed, such as immigrants who are limited English proficient, to meet the talent needs of employers and to grow the local and regional economies in the state. The effort is based on accelerating students' achievement of

² The total Federal allocation for the AEFLA state grant and the IELCE program as estimated and reported by the U.S. Department of Education differs in the estimated and reported amounts included in the Texas Workforce Commission's [operating budget](#) for fiscal year 2016, which indicated a total Federal allocation of \$64,431,393 for fiscal year 2014, \$55,542,909 for fiscal year 2015, and anticipated \$73,794,676 for fiscal year 2016.

workforce training certificates through entry-level career pathways programs. The ATX programs pair adult education, continuing or developmental education, and career and technical education instructors to ensure that the course content is contextualized or geared to objectives of the workforce training program. Additionally, students receive comprehensive, intensive case management services provided in a partnership among colleges, local community-based organizations, and workforce centers.

The Texas Higher Education Coordinating Board (THECB) has provided leadership and oversight to the ATX initiative since 2010. In 2013, the TWC began to jointly administer the ATX initiative and to connect basic skills delivery with adult education and literacy programs. Since then, the TWC has leveraged more than \$8.7 million in federal discretionary funds to expand the ATX initiative with the THECB, including testing this education and training model with dislocated workers. As a result of the success of this pilot, the TWC has also separately issued two rounds of grants under the ATX initiative. For the Fiscal Years 2016-2017 biennium, the ATX initiative was funded at \$4,007,381.

Between August 2010 and January 2016, the ATX initiative helped more than [6,000 Texans](#), including immigrants who are limited English proficient, to prepare for careers in industries that are growing in their local and regional economies in nearly 30 community and technical colleges. Of these students, 62.6 percent self-reported that they were first generation college students, 3,957 were ages 25 and older, and 732 received English as a Second Language services. Through July 2015, 3,493 ATX students completed a workforce certificate and nearly 70 percent of these students were working, enrolled in other education programs, or both in the quarter or academic semester following completion of their certificate. By focusing on adults who are under-skilled, including those who are limited English proficient, and under-employed, this initiative is ensuring that these vulnerable Texans have opportunities to reach their full career potential.

In addition to expanding the capacity of the Texas workforce to meet employers' needs, the ATX initiative is testing models to prepare adult learners for success in higher education and the workforce. Participants are able to earn [stackable credentials](#) which are “a sequence of credentials that can be accumulated over time and move an individual along a career pathway and up a career ladder.” [Earning](#) stackable credentials allows these students to build momentum and persistence towards completing longer-term educational goals and to meet local and regional employers' needs.

Moreover, the ATX initiative is a statewide innovation that is building evidence about how career pathways can prepare immigrants who are limited English proficient for diverse industries. According to the U.S. Department of Labor, [career pathways programs](#) “offer a clear sequence, or pathway, of education coursework and/or training credentials aligned with employer-validated work readiness standards and competencies” and “make it easier for people to earn industry-recognized credentials through avenues that are more relevant; to provide opportunities for more flexible education and training; and to attain market identifiable skills that can transfer into work.” The Federal government and philanthropic sector have strongly supported career pathways; for example, in May 2016, 12 Federal agencies jointly signed a [letter](#) promoting the use of career pathways. However, in its updated [Career Pathways Toolkit](#), the U.S. Department of Labor identified only a handful of programs focused on immigrants and/or individuals who are limited English proficient. The ATX initiative makes Texas a leader in using career pathways to develop the skills of individuals who are limited English proficient.

Increasing funding for the ATX initiative would allow Texas to build on its leadership and implement key strategies to meet employers' workforce needs by: expanding the capacities of the state's workforce, further developing and testing practices to prepare adult learners for success in higher education and the workforce, and providing real life examples of effective workforce models for adults who are under-skilled, including immigrants who are limited English proficient, or under-employed.

Recommendation 3: Invest \$8 million to assist local school districts with increasing the number of guidance counselors and five percent of the State Set-Aside Under the Workforce Innovation and Opportunity Act to Pilot Partnerships Between Local Workforce Boards and School Districts to Develop and Provide Robust Career Information to Students and Their Families, Including Those Who Are Limited English Proficient, to Support Implementation of House Bill 5.

Enacted in 2013, [House Bill 5](#) established the Foundation High School Program as the “default graduation program” for all students entering high school in the 2014-2015 school year and articulates the baseline [coursework](#) that must be completed in order for students to “satisfy graduation requirements.” A central [theme](#) of the Foundation High School Program is to help students “develop the relevant and critical skills needed to be prepared for employment or additional training in a high-demand occupation.”

The Foundation High School Program requires students to earn an “endorsement” by taking additional classes in one of five areas: 1) Science, Technology, Engineering, and Mathematics (STEM); 2) Business and Industry; 3) Public Services; 4) Arts and Humanities; or 5) Multidisciplinary Studies. While they may change their selection at a later time, students must choose an endorsement upon starting ninth grade. Students may opt out of earning an endorsement after they and their guardian(s) have consulted with a school counselor and their guardian(s) have submitted a written request after the student's sophomore year.

To fulfill the Foundation High School Program's vision of preparing for employment or training in a high-demand occupation, students need robust career information and guidance from counselors or other professionals familiar with this data in order to make informed decisions about their high school education and future careers. For those students who are limited English proficient, it is critical that the career information is available in their primary language so that they are able to fully understand and participate in these important decisions. In its 2014 Comprehensive Biennial Report on Texas Public School, the Texas Education Agency [reported](#) that during the 2013-2014 school year, nearly 900,000 Texas public students were identified as English language learners in the TAPR state performance reports. The percentage of Texas public students receiving bilingual or English as a Second Language instructional services [increased](#) to 17.1 percent during 2013-2014, up from 14 percent a decade prior. Also, in the 2013-2014 school year, more than 122 [languages](#) were “spoken in the homes of Texas public school students,” of which Spanish was spoken “in 91 percent of students' home where English is not the primary language.”

[Research](#) has consistently found that parental engagement in their children's education leads to positive academic performance, and further, there is “a statistically significant association between parent involvement and a child's academic performance, over and above the impact of the child's intelligence.” Similarly, parental engagement in career decision-making is also important. Thus, because of the Foundation High School Program's focus on academic achievement and career preparation, it is equally important to ensure that students' guardians

who are limited English proficient have access to career information in their primary languages and are engaged in the discussions regarding the choices that their child(ren) will need to make.

“High school counselors are critical to ensuring that students are provided meaningful information about the benefits of choosing certain graduation plans and endorsements,” [noted](#) the Texas Higher Education Coordinating Board in its summary of the 83rd Texas Legislature actions related to education in regards to House Bill 5. Unfortunately, in 2013, Texas’ [counselor-to-student ratio](#) was 1:469, which far exceeds the American School Counselors Association recommended ratio of 1:250.

The 85th Texas Legislature should invest \$8 million to assist local school districts, which are responsible for [funding](#) school guidance counselors, with increasing the number of school guidance counselors at the middle- and high school levels to support implementation of House Bill 5.³

Further, the Governor should invest five percent or at least \$1 million from the state set-aside in Title I of the Workforce Innovation and Opportunity Act for the Fiscal Years 2018-2019 biennium to pilot partnerships between local workforce boards and school districts to develop and provide robust career information in languages that are primarily spoken by students or their households in the school district.⁴ While the Workforce Innovation and Opportunity Act [focuses](#) primarily on out-of-school youth, services to in-school youth ages 14 and older who meet certain requirements are still allowed. Local workforce boards are experts in their local and regional labor markets and would be ideally positioned to assess and develop information about the projected growth of the endorsement subjects to provide to schools in their area.

Implementation of House Bill 5 has far reaching consequences for Texas high school students. Investing in additional school guidance counselors and ensuring that robust career information is available for students and their guardians who are limited English proficient will enable Texas students to make informed decisions about how they could fully leverage the opportunities of the Foundation High School Program to prepare for careers and additional training in high-demand occupations.

Recommendation 4: Direct the Texas Education Agency, the Texas Higher Education Coordinating Board and the Texas Workforce Commission to Jointly Assess Post-Secondary Career and Technical Education Programs for Effectiveness in Meeting Skills Needs of Workers and Employers.

Increasing the number of Texans ages 25 to 34 with a certificate or degree to 60 percent by 2030 is one of the state’s overall educational goals, as articulated in the THECB’s “[6ox3oTX Plan](#).” [Career and technical education \(CTE\) programs](#) are important components of helping Texas to meet this goal. CTE programs “integrate core academic skills, employability skills and technical job-specific skills and includes postsecondary and workforce partnerships enabling clear

³ The Texas State Board of Education made a request to support funding for school guidance counselors to the 84th Texas Legislature.

⁴ Section 128(a)(1) of the Workforce Innovation and Opportunity Act [authorizes](#) Governors to reserve up to 15 percent of the amount allotted to the state from each of the Adult, Dislocated Worker, and Youth formula program for statewide activities, including piloting innovative service delivery models. The final percentage available to Governors each year is determined by annual Federal appropriations.

pathways to certifications and degrees.” At the [post-secondary level](#), students in CTE programs are more likely to be older, married, working part-or full-time, and have a family background of less educational attainment.

In Texas, [post-secondary CTE](#) programs are offered by 57 community, state, and technical colleges on 79 campuses. In 2012-2013, there were 260,993 students enrolled in post-secondary CTE programs in the state.

There are a number of students each year who do not complete a credential or degree through CTE programs. However, data suggests that completing some CTE coursework can increase earnings. In March 2016, the California Community College system [announced](#) that its analysis of Employment Development Department’s wage data showed that “skill builder students” – students who have completed at least one course but less than a year of career and technical education – experienced a median wage gain of 13.6 percent, or \$4,300.

The Texas Education Agency, the THEBC and the TWC should jointly assess post-secondary CTE programs for their effectiveness in building the competitiveness of Texas businesses and workers. The assessment should consider whether the CTE programs meet the talent needs of employers in high-growth industries, as well as provide appropriate educational and employment outcomes for students. Also, the assessment should examine whether skill-builder students complete a certificate or degree overtime. This data will provide state legislators, workforce and higher education leaders with a clearer picture about the effectiveness of CTE programs as well as improve their ability to strengthen programs and initiatives to the needs of Texan workers and employers.

Recommendation 5: Increase Investment in the Skill Development Fund to \$71,481,891 for the Fiscal Years 2018-2019 biennium, and Set-Aside 15 percent to Fund Public/Private Partnerships that Reduce Barriers for Foreign-Trained Immigrants to Fill Business’ Critical Workforce Needs.

The [Skill Development Fund](#), administered by the TWC, assists Texas businesses with accessing a qualified workforce through customized training solutions that help workers gain new skills or improve existing skills. [Between 1996 and 2014](#), the Fund has met the workforce demands of 4,074 Texas businesses, contributed to the creation of 101,186 jobs, improved the skills of 215,052 incumbent workers, and trained a total of 316,238 workers. During this time, the statewide average wage paid to workers trained through the Fund has increased by more than 116 percent from \$10.33 per hour in Fiscal Year 1996 to \$22.36 per hour in Fiscal Year 2014.

Grants are competitively awarded to a public community or technical college or the Texas A&M Engineering Extension in partnership with a business, consortium or businesses, or a trade union. Local workforce development boards, economic development entities, and the Texas Workforce Commission’s Business Services are also critical partners. Grants available through the Fund aim to “prepare for projected business growth or help close existing skills gaps.”

The 85th Texas Legislature should increase the funding level of the Skill Development Fund by 22 percent to \$71,481,891 for the Fiscal Years 2018-2019 biennium. This increased level is consistent with the increase in the amount appropriated by the 84th Texas Legislature. Further, the 85th Texas Legislature should direct the TWC to set aside 15 percent of funding available for the Skill Development Fund for the Fiscal Years 2018-2019 biennium to fund and evaluate a

new pilot program that would encourage public/private partnerships aimed at reducing barriers for foreign-trained immigrants and refugees to fill business' critical workforce needs.

Between 2009 and 2013, 56 percent of Texas immigrants and refugees who had a college degree or higher were educated abroad, according to analysis by the [Migration Policy Institute](#). Generally, foreign-trained immigrants and refugees have unique barriers to transferring their education and skills gained abroad to their specific fields in the United States, including: limited English proficiency, state licensing policies and expenses, the need to fill in gaps in education or work experience in the United States, and the lack of recognition of foreign credentials or work experience. The inability to break-down these barriers can lead to "brain-waste" or the under or unemployment of college-educated immigrants and refugees. In fact, the Migration Policy Institute estimates that 21 percent of Texas' foreign-educated immigrants and refugees are under-utilized and experiencing brain-waste, compared to 16 percent of native-born Texans.

This proposed pilot would harness the skills of foreign-trained immigrants and refugees to support Texas' economic growth through public/private partnerships. Community or technical college partners would compete for a Skill Development Fund grant to develop contextualized English language training programs that aim to increase participating immigrants and refugees' professional English levels and build their U.S.- and employer-specific occupational skills in the field that they have received education and training from abroad. Businesses would meet their workforce needs by providing foreign-trained immigrants and refugees with work-based learning opportunities, such as on the job training or paid internships. Participants who successfully complete both the college and work-based learning curriculum would be eligible to be hired for permanent positions with the business. They would also gain valuable work experience and skills in the United States in their field, be better prepared for licensing exams as applicable, and develop their professional networks. Similar to other Skills Development Fund grants, performance data regarding the number of Texas workers trained, their average wages, and the number of jobs created, etc. would be collected. Further, an evaluation of the pilot would be conducted to assess its efficacy in supporting business growth in the state and labor force attachment for foreign-trained immigrants and refugees in their fields.

Increasing the investment in the Skill Development Fund and establishing grants focused on maximizing the contributions of foreign-trained immigrants would ensure that Texas businesses can access a qualified workforce that meets their needs.

CONCLUSION

To maintain Texas' competitiveness in the global economy, the 85th Texas State Legislature should prioritize investments that build talent pipelines to meet the workforce needs of the state's employers. Together, these recommendations would expand the capacity of the Texas workforce, including building the skill of immigrants by: improving the English and other basic skills of Texans; preparing immigrants who are limited English proficient and other workers for economic advancement through career pathways; ensuring that youth have access to robust information to make informed career and educational decisions; assessing the effectiveness of career and technical education programs in meeting employers' and workers' needs; and providing customized training for businesses and maximizing the contributions of foreign-trained immigrants. Improving the skills and education of the Texas workforce will lead to increased economic opportunity for all.