

1 **Upskill Texas**
2 **Discussion Paper**

3 **Background**

4 On November 20, 2024, the Texas Workforce Commission's (TWC) three-member Commission
5 (Commission) conducted a work session to discuss statewide initiatives funded through Fiscal
6 Year 2025 reserve balances. During the work session, the Commission noted the success of a
7 previous incumbent worker training initiative, Upskill Texas, and directed staff to develop a
8 discussion paper with recommendations for a new round of funding.

9 **Issue**

10 Factors such as advancements in technology and expansions of Texas businesses and industries
11 prompt employers to upskill new or incumbent employees. Through upskilling, employers
12 ensure their workforce is prepared for and responsive to changes within an industry. Similarly,
13 their employees learn new skills, enabling them to close skills gaps and advance in their career
14 pathways.

15 The Upskill Texas pilot program was developed in FY 2023 in response to Texas employers'
16 need for their incumbent workers to be upskilled. The pilot was well received by Texas
17 employers. The Commission allocated \$5 million in Workforce Innovation and Opportunity Act
18 (WIOA) funds, and TWC received almost \$20 million in funding requests. Fifty-two applications
19 were submitted, and 16 grants were awarded.

20 In response to continued employer needs, staff recommends WIOA Statewide funds be made
21 available for the continuation of an Upskill Texas initiative. The funds will be made available to
22 employers of medium and large businesses (100 or more employees) through an application
23 process on a first-come, first-served basis.

24 **Decision Point**

25 Staff recommends \$5 million in WIOA Statewide funds be allocated to Upskill Texas. Funds
26 will be used to upskill employees in response to Texas' continuously growing and evolving
27 workforce and to ensure employers have the skilled workforce they need.