

1 **Building Workforce Readiness Skills**
2 **through the Skills Development Fund**
3 **Discussion Paper**

4 **Background**

5 Texas employers have consistently identified a lack of workforce readiness skills (also known as
6 soft skills) as a critical challenge in the hiring and retention of employees. Noted gaps in these
7 skills include, but are not limited to, communication, organization, teamwork, problem-solving,
8 critical thinking, digital literacy, conflict resolution, and time management.

9 **Issue**

10 In recognition of these challenges, Texas Workforce Commission (TWC) sees opportunity to
11 address employers' needs and support workers as they develop the personal and behavioral skills
12 necessary to succeed in the workplace.

13 The Skills Development Fund (SDF), as laid out in [Texas Labor Code, Chapter 303](#) and [Texas](#)
14 [Administrative Code, Chapter 803](#), provides funding to develop customized training programs to
15 support Texas employers. Generally, TWC encourages projects to focus on technical training
16 rather than non-technical skills. This approach is generally successful in addressing employer
17 needs; however, many Texas employers have expressed an interest in enhancing the workforce
18 readiness skills of their employees. By developing these types of skills, those employees are
19 more likely to perform other job duties effectively and remain with the employer.

20 Texas Labor Code, Chapter 303, specifies SDF may be used by public technical colleges to
21 support customized training programs. Additionally, statute notes, "It is the intent of the
22 legislature that, to the greatest extent practicable, money from the Skills Development Fund shall
23 be spent in all areas of the state." Texas State Technical College (TSTC) has the statewide
24 presence and ability to develop and provide training services for leadership, general workforce
25 readiness skills, and digital literacy training for businesses throughout the state.

26 **Decision Point**

27 Staff recommends the Skills Development Fund be used to support the development and
28 implementation of a statewide customized workforce readiness skills training for Texas
29 employers and their workforce through a \$5 million grant to TSTC.