

A Workforce Strategy for Rural Texas

Background

Texas ranks among the top states in economic growth with regard to the state's gross domestic product and job creation. With nearly 30 million individuals in 254 counties, including 6 of the largest cities in the nation, Texas benefits from significant economies of scale when it comes to attracting business and adding jobs; however, there is a difference in performance between the rural and more populated areas of the state.

While many definitions of "rural" exist, both state and federal rural development agencies generally classify counties under 200,000 population and municipalities under 25,000 population as rural in nature. Currently, 77 percent of the Texas population lives in the 25 largest counties, which means, everyone else (23 percent of the population, or approximately 7 million people) lives in the other 229 counties. While the 25 largest counties make up 77 percent of the population, they account for 82 percent of the employment in the Lone Star State and 73 percent of WIOA formula funds. Across the state, 90 percent of Texas cities have a population under 25,000. Simply put, the 229 counties comprising rural Texas are competing for a quarter of the available resources – and more resources may be needed.

Issue

Job creation in rural Texas is challenged by both density and distance issues. Most rural communities are further from population centers and lack the population density to establish the economies of scale necessary to effectively recruit employers to create large numbers of new jobs. Rural communities who have shown success in economic development and job creation have typically done so with a targeted approach. However, limited financial resources and infrastructure options often create additional challenges, even with a targeted plan. Not only do rural Texas communities face geographical distances that make getting people, training, and jobs in the same place more difficult, they also have disproportionately less access to broadband, healthcare, transportation, housing, and childcare options. Additionally, although the vast majority of rural communities have a community college operating locally, there are fewer local options to for rural Texans who are trying to get into the workforce or upskill to a better, more in-demand career. TWC and its Workforce Solutions partners must find innovative ways to reduce the skills gap between employer demands and workforce competencies in rural Texas.

Recommendations

As part of TWC's framework for strategically improving our mission-driven economic support efforts, the Commission should adopt a Rural Workforce Strategy with an initial focus on the following:

1. Appoint a Rural Workforce working group to focus on rural workforce needs.
 - a. The working group should be made up of representatives from: rural businesses, community colleges serving rural communities, and regional economic development corporations serving rural communities, such as Texas Midwest Community Network, The High Ground of Texas, Texas Rural Funders, and Texas Forest Country Partnership.

- b. The working group should meet at least twice per year, or as needed, at meetings hosted by TWC's Outreach and Employer Initiatives, in consultation with the Workforce Development Division.
2. Convene a rural summit in the Fall of 2023 to further assess the situation and begin to develop long term solutions.
3. Establish a new program from WIOA statewide reserve funds to provide funding to Workforce Development Boards to use for Training Labs, short-term, turnkey training opportunities in partnership with local governments and community colleges or other approved training providers. This program would require each of the three entities (LWDB, training provider and local unit of government) to contribute something of value to the project. These funds would be limited to use in municipalities with a population of less than 25,000 or in the unincorporated areas of any county of less than 200,000.
4. Provide priority scoring for Upskill Texas applications in municipalities with a population of less than 25,000 or in the unincorporated areas of any county of less than 200,000.
5. Increase available funding for the High Demand Job training program, eliminate the per-board award cap, and allow training in any field on the Board's or TWC's in-demand jobs list for applications in municipalities with a population of less than 25,000 or in the unincorporated areas of any county of less than 200,000.
6. Establish a fund to pay for costs associated with credentials issued as a result of CTE coursework.
7. Establish and increase outreach efforts for these rural initiatives.