

Southern Office's Priorities for the 85th Texas Legislative Session

Millennials are the first generation at risk of being worse off economically than their parents.¹ If not addressed quickly, this state of affairs will carry serious ramifications for years to come as Texas's economy increasingly relies on young adult workers.²

The barriers to economic security Millennials face are clear. Soon, over 62 percent of Texas jobs will require some form of postsecondary education.³ And as both the need for and cost of obtaining that education rises, students are accumulating education debt at a rapid pace; the average senior at a four-year college in Texas owes over \$26,000 in student loans.⁴ But even with a degree, finding work is challenging as employers increasingly expect relevant experience. Students who must work to pay tuition often forgo unpaid internships that would bring this experience, putting them at a disadvantage when attempting to enter the job market.

Young Texans' challenges extend beyond education and work. A disproportionate number of Texas's young adults lack health insurance, compounding their economic challenges. A recent study showed that, among young adults who reported problems paying medical bills, 31 percent delayed education or career plans.⁵ For uninsured young Texans, a broken leg can mean an end to a college career. And, given the importance of completing higher education in today's workforce, that broken leg can hobble Texas families' economic security for years to come.

To ensure and grow Texas's economic competitiveness, Texas's young adults must have access to, and be able to complete, an affordable higher education that strengthens pathways to the workforce. The Texas Legislature should leverage the next few months to advance the following policy recommendations, grounded in the experiences of young Texans themselves and which align with the needs of businesses throughout our state.

WORKFORCE DEVELOPMENT AND HIGHER EDUCATION

According to the Texas Workforce Investment Council's recent survey of over 2,000 Texas employers, the most cited challenge in filling positions was a lack of relevant work experience.⁶ Business leaders also noted lack of soft and occupational skills among applicants as a major barrier to hiring and filling open positions. And a 2015 study of over 250 Texas students showed that a top priority of young people was to gain not only the education, but the in-demand experience and training needed to meet employers' needs.⁷

The following section delineates YI South's comprehensive workforce strategy to improve employment opportunities for young Texans. Even if not implemented simultaneously, however, each recommendation would ensure a more effective school-to-career pipeline.

Improve Transparency in the Texas College Work-Study Program

Texas is one of 14 states to invest in student work-study opportunities through the Texas College

Work Study (TCWS) program.⁸ This program can serve as a vital way for many students from struggling backgrounds to gain paid experience in their chosen career field.

Currently, the Texas Education Code requires the Texas Higher Education Coordinating Board (THECB) to submit a report on the total number of students served by the program, the employer's location on or off campus, and the status of the employer as a for-profit or non-profit.⁹ While the program was amended last session¹⁰ to strengthen tying work-study to meaningful employment experience for students, data on students' transition to the workforce post-TCWS program is limited in the current reporting requirement from the THECB.

Updating the report language to require the following will promote greater transparency, and a better understanding of the effectiveness of the TCWS program:

- Student demographics including race and ethnicity, gender, major, student credit hour classification;
- Student-level TCWS college completion and retention data; and
- Student-level TCWS post-graduate employment and salary data.

Strengthen and Increase Additional Paid Job-Based Learning Opportunities for Students

Unfortunately, the TCWS program simply cannot serve every student seeking paid training opportunities in order to become attractive job applicants. Despite these young people's ambition, students from struggling backgrounds who must work to pay tuition feel incapable of gaining substantive career-related experience because so many opportunities come in the form of unpaid internships.

The following recommendations would enable more students to access meaningful work experience while still in school through opportunities such as apprenticeships:

Build off of Governor Abbott's Tri-Agency Workforce Initiative's initial findings to create a statewide performance metric on job-based learning partnerships between businesses and academic institutions that will:

- Ensure opportunities are responsive to local workforce needs, by placing students in regionally in-demand industries.
- Ensure opportunities are targeted to, and responsive to, the needs of lower income students.

Implement a tax incentive program that encourages employers to partner with community colleges to design curriculums to:

- Expand job-based learning opportunities such as apprenticeships or work-study for students; and
- Encourage employers to hire students that complete job-based learning opportunities.

Increase Access to Higher Education

Finally, to access these opportunities, students must also be able to access higher education. In 2014, the average Texas undergraduate student graduated with \$26,250 in debt.¹¹ Since the Leg-

islature's deregulation of tuition in 2003, tuition at public universities had increased 55 percent by 2012,¹² and over 300 percent after adjusting for inflation since 1990.¹³ But with 62 percent of all Texas jobs requiring some form of post-secondary education by 2020, ensuring young Texans have access to affordable higher education is critical to ensuring the economic competitiveness of Texas. In order to make sure all students can access college, costs must be addressed.

To that end, it is vital that policymakers:

- Increase investment to higher education to at least pre-Recession levels including increased funding for the Texas Grant and the Texas Educational Opportunity Grant;
- Oppose proposals to rollback in-state tuition eligibility.

HEALTH CARE

Having health coverage is critical to ensuring young Texans can complete their education, have access to critical mental health services, and be competitive in the workforce, ultimately helping young Texan families ward off financial hardship.¹⁴ While all avenues toward expanded access to health insurance must be explored, the following recommendation would improve young Texans' economic competitiveness through improved health outcomes, with a special focus on a pressing mental health issue for young parents in our state.

Increase Access to Critical Mental Health Services Including Postpartum Care

The state can do more to ensure young adults and young families have access to mental health services specifically. While targeting efforts towards these services will not solve all the health care problems facing our state, such action would carry significant benefits for young Texans. For young people with health insurance, a recent national analysis on how Millennials use their healthcare coverage found mental health tops the list.¹⁵

And for young mothers, the compounding effects of the high cost of childbirth and inadequate access to mental health resources are particularly alarming considering that one in seven women will experience postpartum depression symptoms.¹⁶ Work to advance mental health services would particularly benefit these young mothers and families. Though currently Medicaid in Texas covers optional screening and treatment for postpartum depression for eligible women, these services are available only 60 days after birth.¹⁷ For mothers whose births are covered by the state's Children's Health Insurance Program (CHIP), postpartum depression screenings are covered for an additional 60 days afterward, but CHIP does not cover the cost of treatment unless the mother is under the age of 19.¹⁸

In order to address critical mental health needs of young Texans, lawmakers should support Gov. Greg Abbott's legislative priority to expand benefits under CHIP Perinatal and Medicaid for Pregnant Women to cover screening, diagnosis and treatment for postpartum depression, including extending the coverage period for postpartum doctor visits for mothers from the existing 60 days after birth to up to a year. To ensure the promise of Gov. Abbott's proposal is achieved, initiatives should be undertaken in this expansion to promote cultural and multilingual competencies in outreach and care.

About Young Invincibles:

Young Invincibles is a non-profit dedicated to expanding economic opportunity for young adults ages 18-34, particularly those from low-income and underserved communities. We engage in outreach, public education, research, and policy analysis to tackle the employment, education, and health challenges facing this generation.

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Endnotes

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