



**To: Senate Committee on Economic Development**

**Re: Preparing the Texas Workforce for AI**

September 22, 2026

Honorable Chair Paxton, Vice Chair Sparks, and members of the Senate Committee on Economic Development:

Thank you to the Committee for your commitment to study the impact of AI on the Texas workforce and its implications for economic competitiveness. I appreciate the opportunity to provide written testimony with recommendations to ensure the Texas labor market remains a national leader in growth and opportunity.

Artificial intelligence and automation are fundamentally changing the nature of work across nearly every Texas industry. While there is uncertainty about the pace of change and the number of jobs that will ultimately be eliminated versus redesigned, one conclusion is increasingly clear: workers across occupations will need new skills to succeed in an AI-enabled economy.

For Texas, this transformation presents both risk and opportunity. The state's economic strength depends on its ability to maintain a skilled workforce and respond quickly as technology changes the tasks employers need workers to perform. Texas should take a pragmatic, data-driven approach that strengthens workforce resiliency, aligns education and training with changing employer demand, and creates clearer pathways for workers whose jobs are redesigned or displaced.

### **AI Is Changing Tasks and Skills Within Jobs**

AI's workforce impact is more nuanced than a simple question of job creation or job elimination. Research suggests that AI and automation will often change the tasks performed within occupations rather than replace entire occupations. McKinsey Global Institute research finds that 57 percent of U.S. work hours could be automated using currently demonstrated technologies, while human involvement remains necessary to guide, supervise, validate, and troubleshoot AI-enabled work.

The effects will not be evenly distributed. Occupations containing a high share of routine or automatable tasks—including administrative support, basic data processing, customer service, bookkeeping, routine analysis, and some entry-level technology roles—face greater disruption. In Texas, administrative support occupations alone represent 13 percent of the state workforce.

At the same time, AI is increasing demand for new capabilities. AI fluency—the ability to use and manage AI tools appropriately—is becoming increasingly important, while durable skills such as

creativity, problem solving, communication, and judgment become more valuable as routine tasks are automated. In other words, AI is not eliminating the need for people; it is changing what people need to be able to do.

This creates a systemic challenge for Texas. Education and workforce systems must be capable not simply of reacting after workers are displaced, but of anticipating changing skill needs and adapting before disruption occurs.

## **RECOMMENDATIONS**

### **1. Move from reactive workforce programs to a proactive statewide strategy**

Texas should establish a coordinated **AI Workforce Readiness Initiative** to guide education and workforce planning as AI adoption accelerates. The initiative could supplement the state's existing *Building a Talent Strong Texas* framework and bring together employers, school districts, higher education institutions, workforce boards, legislators, and the Texas Education Agency, Texas Higher Education Coordinating Board, and Texas Workforce Commission.

The goal should be to establish a sustained, cross-sector process for identifying workforce disruption early, aligning education and training investments with changing needs, and developing strategies to help both employers and workers adapt.

Texas should pair that strategy with better forward-looking labor market intelligence. A **Texas AI and Workforce Data Dashboard** could leverage existing Tri-Agency data infrastructure to track skills gaps, worker mobility, credential outcomes, and job-market changes. Importantly, the state should examine not only which occupations are growing or declining, but which **tasks and skills within occupations** are changing. Those insights should inform program design, funding priorities, and performance measures.

Regional workforce ecosystems should have flexibility to respond to local conditions. AI adoption will vary significantly across industries and regions, making it important for regional partnerships to test approaches and share successful models statewide.

### **2. Modernize PK–12 and higher education for an AI-enabled economy**

Texas' education systems should prepare students for a labor market in which digital and AI tools are increasingly embedded across occupations.

At the PK–12 level, students should continue to master foundational academic skills while also developing **digital fluency**, including familiarity with emerging technologies, data interpretation and validation, and problem solving in environments where people work alongside AI. These competencies should be incorporated into the Texas Essential Knowledge and Skills at developmentally appropriate levels.

Postsecondary institutions should similarly incorporate digital skills across programs rather than limiting AI preparation to computer science or technology degrees. Depending on the field, learning objectives should include effective use of technology, digital literacy, cybersecurity awareness, ethical considerations, and adaptability as technology evolves. Short-term and micro-credentials can also provide workers and students with a clearer signal of specific digital competencies.

Texas should simultaneously strengthen the **uniquely human skills** that complement technology. Critical thinking, collaboration, complex communication, judgment, and problem solving will remain important as routine tasks are automated. Postsecondary institutions can reinforce these capabilities through high-impact practices such as work-based learning, intensive writing, capstone projects, and portfolios.

Across all educational systems, it is critical that students be able to demonstrate knowledge and skills and that they can do work without AI tools. **Testing should be done without the aid of AI tools to ensure that learning is happening** and this needs to be done throughout the educational experience, not just for final exams and licensure testing.

Career exploration and advising should also evolve. Beginning in middle school, students and families should receive better information about how technology is changing occupations and career pathways. Existing tools such as MyTexasFuture and MyTXCareer should incorporate information about projected AI exposure and changing skill requirements to help students make more informed education and career decisions.

### **3. Build faster pathways for workers affected by AI-driven change**

Texas should also strengthen its capacity to help incumbent workers transition when AI eliminates or significantly redesigns their jobs.

Existing programs—including the Skills Development Fund, Texas Reskilling and Upskilling through Education, Lone Star Workforce of the Future Fund, and Texas Innovative Adult Career Education Grants—provide infrastructure that can be targeted toward workers in occupations experiencing significant technological disruption.

The state should proactively map the skills of workers in high-exposure occupations to growing fields where those skills remain valuable. The Tri-Agency Pathways Initiative could support this work by identifying transition pathways and encouraging competency-based education models that award credit for skills workers already possess. Community and technical college funding incentives can also support completion of retraining programs and successful workforce transitions.

## **A Collective Opportunity for Texas**

AI and advanced technologies represent one of the most significant economic transformations in generations. Texas has an opportunity to respond from a position of economic strength, but doing so will require education and workforce systems that can adapt at the speed of technological change.

By developing a coordinated workforce strategy, improving labor market intelligence, modernizing education and training, and creating faster transition pathways for impacted workers, Texas can strengthen its talent pipeline while maintaining the economic growth and opportunity that have long distinguished the state.

The objective should not be to predict precisely which jobs AI will eliminate. It should be to build a system resilient enough to respond as jobs, tasks, and skills change. We look forward to partnering with Committee in the 90<sup>th</sup> Legislative session to develop an approach that can help ensure Texas employers have access to the talent they need, workers have pathways to adapt and advance, and the state remains competitive in an increasingly AI-driven economy.

Respectfully,

Kelle Kieschnick

Vice President of Policy

Texas Business Leadership Council

[kkieschnick@txblc.org](mailto:kkieschnick@txblc.org)