

# Testimony

## Testimony Before the Senate Committee on Higher Education

by Erin Valdez, Policy Director, Next Generation Texas

### Chairman Creighton and Members:

My name is Erin Valdez, and I am policy director of Next Generation Texas at the Texas Public Policy Foundation. I'm here to share some resources relating to the interim charge on workforce, especially on institutional strategies that better incorporate demand signals from the marketplace. TPPF has long supported ensuring that institutions provide students, employers, and taxpayers with a positive return on investment, especially for workforce and career and technical education programs. We are encouraged by the emphasis being placed by the lieutenant governor and this committee on better integrating K-12 and postsecondary opportunities.

We believe that better aligning career and technical education with regional workforce demand will strengthen communities and local economies. To accomplish this end, we believe that the incentives of institutions providing this kind of education must be aligned with labor market demand.

Our analysis and research point toward the following opportunities to build on the great work of this committee in the 88th Legislature:

1. [Building a Talent Strong Texas](#), the recent update of the state's 60x30 plan, sets a goal of 60% of Texans between 25-64 attaining a postsecondary credential of value by 2030. To meet this goal, the **3.2 million** young Texans who will have graduated from high school by 2030 must have access to pathways that lead to these credentials of value.
2. We applaud *Building a Talent Strong Texas's* criteria for defining credentials of value in this clear and concise way (p. 10):  
*The credentials that students earn must, at a minimum, provide a positive return on investment: The economic benefits exceed the costs to receive them, and students leave higher education better off financially than they would otherwise be.*
3. These criteria do not line up cleanly with the [criteria](#) for inclusion on the TEA's Industry-Based Credentials List, which are based on a number of factors, including:
  - a. a referral by the TWC;
  - b. a process of direct appeal to the TEA;
  - c. a third-party determination;
  - d. a determination of value by a "representative sample" of employers;
  - e. a credential attainable by high schoolers by the summer after graduation.
4. The process for updating the list takes place every two years, and it requires employers and employer groups to approach TEA to "make the case" for credentials to be included. This can lead to many important credentials being excluded, and others that may not meet the criteria that *Building a Talent Strong Texas* spells out being included.

*continued*

In addition, requiring that industry-based credentials be obtainable by the summer after graduation leaves out many of the occupational categories identified by the Texas Workforce Commission as “Target Occupations.” To be included on this list, these jobs have projected growth over the coming decade as well offer above-median wages. We identified a large number of target occupations that require an industry-recognized credential as an entry point and cross-referenced them to the statewide secondary career and technical education clusters, as seen in **Figure 1**.

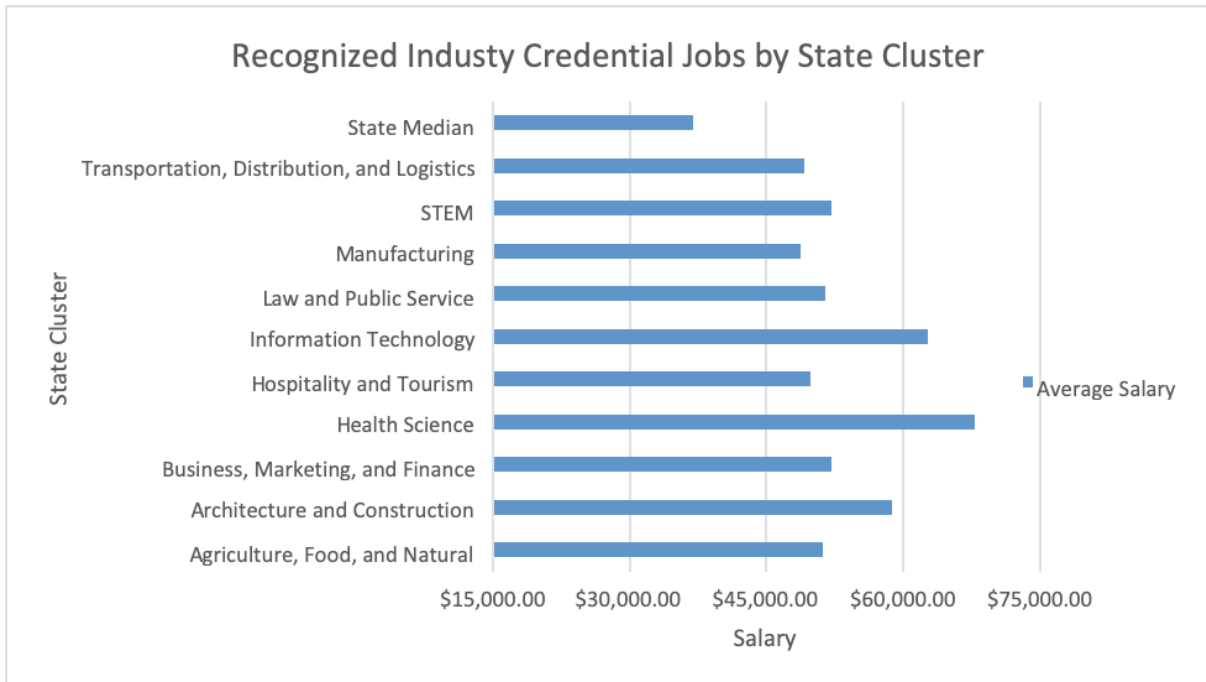


Figure 1: See Appendix for full list of occupations. This chart shows which statewide career and technical education clusters correspond to the Texas Workforce Commission’s Target Occupations requiring a recognized industry credential or associate degrees, excluding occupations that require a bachelor’s degree or above. Author’s calculations based on publicly available data in TWC’s [Target Occupations by Board Area](#) and TEA’s [Labor Market Information](#) reports.

Since career readiness in the K–12 space is tied to the [Industry-Based Credentials List](#) through the College, Career, and Military Readiness accountability and [bonus](#) programs, school districts are incentivized to provide programs that result in the credentials identified on this list.

[TEA reports](#) that most of the College, Career, and Military Readiness Outcomes Bonuses (created by [HB 3 86R](#)) have been generated by college readiness indicators. We suggest this may be due to the following factors:

- 1) College and career readiness are measured by the same college-readiness standard for the purposes of the outcomes bonus. Thus, a student who demonstrated college readiness by means of the SAT, ACT, or TSIA cut score can generate a bonus for a district if he or she takes the step of enrolling in a postsecondary institution in the fall after graduation. He or she can also generate this bonus based on earning an associate degree in high school.
- 2) To generate a “career readiness” bonus, a graduate would have to meet the same college readiness standard test score and earn an industry-based certification or a level I or level II certificate in the summer immediately following graduation.

[HB 1525](#) (87 R) created weighted funding based on student advancement through statewide programs of study, an approach we support since one of the [definitions](#) of a program of study is “culminates in attainment of recognized *postsecondary credential*” (emphasis added).

We recommend that the Industry-Based Credential list be aligned with *Building a Talent Strong Texas*’s criteria for credentials of value, thereby ensuring that districts and charters have clear targets in terms of their programs of study offerings.

We are grateful that the [Tri-Agency Workforce Initiative](#), created by [HB 3767](#) (87R), provides a framework for addressing these issues. TPPF will be submitting public comments for the Tri-Agency Workforce Initiative, relating especially to [Priority 3](#), “Create a robust infrastructure for interagency collaboration around common goals, data, and processes to ensure improved student outcomes and meet employers’ needs.”

These comments will incorporate the following strategies that TPPF’s research has identified for improving workforce readiness in Texas:

- [Data transparency](#) on outcomes for workforce education at all levels;
- Funding and accountability based on student wage and employment [outcomes](#), perhaps through allowing CTE programs at community colleges be funded according to a version of TSTC’s [returned-value funding](#) model;
- Individualized funding for students that could support multiple pathways at multiple institutions;
- [Competency-based education](#), and
- Strong, [employer-led partnerships](#) with educational institutions, including creation of “earn-while-you-learn” programs that allow employers to develop talent pipelines.

We are happy to work with this committee and other stakeholders to advance these items in either agency and legislative action as appropriate. We appreciate the opportunity afforded by the Tri-Agency Workforce Initiative to bring the Industry-Based Certification list into closer alignment with *Building a Talent Strong Texas’s* definition of credentials of value.

## Appendix

Note: This information was gathered from the Texas Workforce Commission’s [Target Occupations by Board Area](#) report and the Texas Education Agency’s [Local Labor Market](#) reports. The following occupations are high wage (above median wage), require less than a bachelor’s degree, and are high growth over the next decade.

Required Education Demand/Wage
Row Labels
<ul style="list-style-type: none"> <li>⊖ Agriculture, Food, and Natural Resources                             <ul style="list-style-type: none"> <li>⊖ Environmental Science and Protection Technicians, Including Health \$47,638.97</li> <li>⊖ Industrial Machinery Mechanics \$54,769.53</li> </ul> </li> <li>⊖ Architecture and Construction                             <ul style="list-style-type: none"> <li>⊖ Electrical Power-Line Installers and Repairers \$55,722.59</li> <li>⊖ Heating, Air Conditioning, and Refrigeration Mechanics and Installers \$47,171.29</li> <li>⊖ HVAC Mechanics &amp; Installers \$47,171.29</li> </ul> </li> <li>⊖ Business, Marketing, and Finance                             <ul style="list-style-type: none"> <li>⊖ Insurance Sales Agents \$50,834.24</li> <li>⊖ Real Estate Sales Agents \$51,372.90</li> <li>⊖ Tax Preparers \$54,281.20</li> </ul> </li> <li>⊖ Health Science                             <ul style="list-style-type: none"> <li>⊖ Dental Hygienists \$77,994.85</li> <li>⊖ Diagnostic Medical Sonographers \$72,735.97</li> <li>⊖ Health Information Technologists, All Other \$51,090.73</li> <li>⊖ Magnetic Resonance Imaging Technologists \$74,326.77</li> <li>⊖ Occupational Therapy Assistants \$70,761.60</li> <li>⊖ Physical Therapist Assistants \$67,261.85</li> <li>⊖ Respiratory Therapists \$60,590.40</li> </ul> </li> <li>⊖ Hospitality and Tourism                             <ul style="list-style-type: none"> <li>⊖ Chefs and Head Cooks \$49,809.57</li> </ul> </li> </ul>

Required Education Demand/Wage
Row Labels
<ul style="list-style-type: none"> <li>⊖ Information Technology                             <ul style="list-style-type: none"> <li>⊖ Computer Network Support Specialists \$70,810.82</li> <li>⊖ Computer User Support Specialists \$47,464.37</li> <li>⊖ Web Developers \$66,346.99</li> <li>⊖ Web Developers and Digital Interface Designers \$66,346.99</li> </ul> </li> <li>⊖ Law and Public Service                             <ul style="list-style-type: none"> <li>⊖ Court Reporters and Simultaneous Captioners \$76,083.79</li> <li>⊖ Firefighters \$55,370.68</li> <li>⊖ Paralegals &amp; Legal Assistants \$52,080.52</li> <li>⊖ Paralegals and Legal Assistants \$52,080.52</li> <li>⊖ Police and Sheriff’s Patrol Officers \$64,973.50</li> <li>⊖ Police Officer \$64,973.50</li> </ul> </li> <li>⊖ Manufacturing                             <ul style="list-style-type: none"> <li>⊖ Medical Equipment Repairers \$48,775.13</li> </ul> </li> <li>⊖ Science, Technology, Engineering and Mathematics                             <ul style="list-style-type: none"> <li>⊖ Wind Turbine Service Technician \$52,150.04</li> </ul> </li> <li>⊖ Transportation, Distribution, and Logistics                             <ul style="list-style-type: none"> <li>⊖ Bus and Truck Mechanics and Diesel Engine Specialists \$49,195.79</li> <li>⊖ Diesel/Bus/Truck Mech \$49,195.79</li> </ul> </li> </ul>



**Erin Davis Valdez** is the policy director for Next Generation Texas, an initiative of the Foundation. She has been passionate about the transformational power of education all her life, having been given the gift of being homeschooled. She taught for over a decade in Austin-area schools and served as an assistant principal at a charter school in Lewisville. These experiences have given her the opportunity to see first-hand how students can thrive when they have excellent options.

Since joining the Foundation, Valdez has conducted research on career and technical education at the secondary and post-secondary levels, civics education, and welfare to work programs in Texas.

Valdez earned an M.A. in classics from the University of California, Santa Barbara and a B.A. in classical studies from Hillsdale College.

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