



Testimony

Testimony Before the Texas Senate Education Committee

by Erin Davis Valdez, Policy Director, Next Generation Texas

Chairman Creighton and Members:

My name is Erin Davis 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 monitoring HB 3 (86R) and HB 1525 (87R).

I wish to focus on the career and technical education and college, career, and military readiness policies that these bills advanced.

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 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.

There are key levers within both HB 3 and HB 1525 to create better opportunities for more young Texans while helping employers close the so-called [middle skills](#) gap, that is, the gap between the number of open jobs that require more than a high school diploma and less than a bachelor's degree.

Recently, Commissioner Harrison Keller testified to the Senate Higher Education that the number of high school graduates headed directly to a Texas or out-of-state higher education institution had already begun to decline before the pandemic, down from 60.4% in 2017 to 44.9% in 2020 (presentation attached, p. 6).

Declining community college enrollment, down 12.8% since fall 2019 (presentation attached, p. 2), contributed to the overall decline in higher education enrollment in Texas. Commissioner Keller attributed this decline in part to a hot labor market—especially in occupations that do not require postsecondary credentials—as a likely cause of much of the community college enrollment decline.

The U.S. Chamber of Commerce [reports](#) that, as of February 2020, there were 115,700 more available workers than job openings in Texas. As of November 2021, there were 47,100 fewer available workers than job openings in Texas. Many skilled laborers who were at or near retirement age left jobs during the pandemic, contributing to the overall [decline](#) in labor market participation.

Closing the gap between high school and post-secondary employment and/or ongoing education is a pressing issue for this state's future workforce and the prosperity of its citizens. Properly aligning the incentives of K-12 institutions to facilitate this transition is the focus of the following recommendations for adjustments to HB 3 and HB 1525.

HB 3 (86R): College, Career, and Military Readiness Outcomes Bonuses

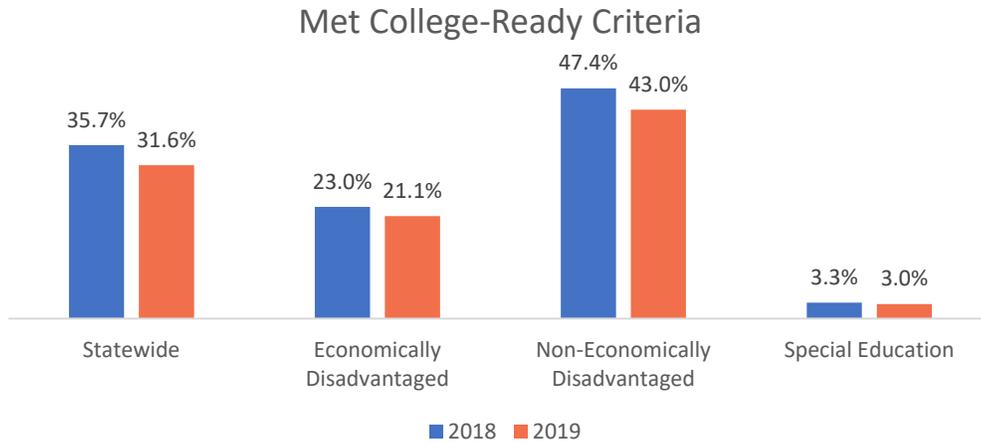
HB 3 represented a bold step forward in aligning high schools with the outcomes of their graduates through the creation of the College, Career, and Military Readiness Bonus program ([TEC §48.110](#)).

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[TEA reports](#) that most of the College, Career, and Military Readiness Outcomes Bonuses have been generated by college readiness indicators as of 2019 (the latest data available):

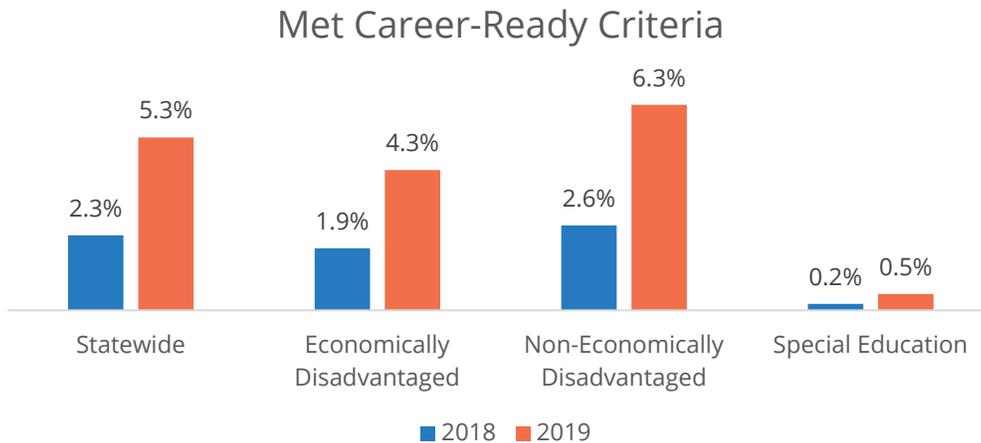
Met College-Ready Criteria

Statewide, 35.7% of graduates (124,043 students) from the Class of 2018 met the college-ready criteria, decreasing to 31.6% of graduates (112,115 students) for the Class of 2019. Across all student groups, a lower percentage of graduates met the college-ready criteria in 2019 than did graduates from the Class of 2018.



Met Career-Ready Criteria

Statewide, 2.3% of graduates (7,939 students) from the Class of 2018 met the career-ready criteria, increasing to 5.3% of graduates (18,766 students) for the Class of 2019. Across all student groups, a higher percentage of graduates met the career-ready criteria in 2019 than did graduates from the Class of 2018.



Source: [CCMR Outcomes Bonus Report](#), Texas Education Agency.

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 standardized test score used to assess college readiness** and earn an industry-based certification or a level I or level II certificate in the summer immediately following graduation. Note that this standard does not apply to CCMR accountability indicators. In 2021, [TEA](#) reports that 13% of high school students earned an industry-based certification and 1% earned a level I or II certificate; 43% of high school students met the Texas Success Initiative (TSI) criteria in both reading and math. In 2020, the Texas Higher Education Coordinating Commission reported that 59% of Texas high school graduates *enrolled* in higher education met both the math and reading TSI standards. Giving students an alternative pathway, such attainment of a credential of value that is not tied to the TSI standard, may open up opportunities for students, especially males, who are not [academically inclined](#) in their teens.
3. While the college readiness indicator for the bonus extends the timeline for the postgraduation outcome to the fall after graduation, the career readiness indicator is limited only to the certificates that can be earned in high school or the summer after a high school student graduates. This restriction excludes many of the [most valuable credentials](#).

We propose the following changes to the College, Career, and Military Readiness Bonus program:

1. The **postsecondary credentials of value** earned by high school graduates during and within two years after graduation may count toward both CCMR accountability and the CCMR bonus programs.
 - a. A two-year extension of the bonus time window should also apply to the college readiness indicator and should require that students **have actually completed a certain number of academic hours successfully** in order to count toward college readiness indicators.
 - b. Student who successfully attain postsecondary credentials of value (as defined below) should not have to meet the TSIA college-readiness cut score in order to generate a bonus for the local education agency.
2. TEA’s criteria for selecting industry-based credentials should be brought into line with the Texas Higher Education Coordinating Board’s “credentials of value” criterion as expressed in the updated 60x30 plan, [Building a Talent Strong Texas](#) (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. The above recommended changes in the college and career readiness indicators would result in schools having to meet higher standards for the accountability and bonuses, which would mitigate any potential fiscal burden to the state created by expanding the postgraduation time horizon as well as raise workforce and college readiness standards by ensuring that students successfully transition to postsecondary placement. PTECH high schools have already established a precedent for extending the time window for completion of a diploma plus a credential and/or an associate degree to the anniversary of the sixth year after the beginning of ninth grade ([TEC §29.553\(b\)](#)).

HB 1525 (87R): Weighted Career and Technical Education Allotment Based on Programs of Study

HB 1525 created weighted funding based how far a student advances through statewide programs of study ([TEC §48.106](#)), an approach we support since one of TEA’s [definitions](#) of a program of study requires that it “culminate in attainment of recognized *postsecondary credential*” (emphasis added).

We support this approach because the [research](#) is clear that employment outcomes improve for each year that students persist in programs of study. However, we would recommend considering that high school graduates are becoming more disconnected to postgraduation education and employment, as noted above.

If the time window for completion of programs of study were extended past the summer after graduation to two years after graduation and included actual attainment of credentials of value, including postsecondary credentials of value, students would have access to more high-wage, high-demand occupations than they currently do under the criteria created by the industry-based credentials list. Creating within the PTECH framework, a pilot to test this approach could provide the Legislature with information about whether and how to expand this opportunity to all public high schools.

Conclusion

We are grateful that the [Tri-Agency Workforce Initiative](#), created by [HB 3767 \(87R\)](#), provides a framework for addressing pressing issues contributing to our state's middle-skill workforce shortage. TPPF will be submitting public comments relating to the above recommendation for the Tri-Agency Workforce Initiative's proposed priorities relating to pathways and infrastructure later this month.

We applaud this committee's focus on integrating the continuum of educational opportunities for young Texans. When individuals are empowered to reach their potential, Texas communities and businesses thrive, and our liberty is preserved. ★



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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