



August 20, 2020

**Texas House Higher Education Committee
Interim Charge 3**

Chair Turner and Members of the Committee:

My name is Erin Davis Valdez, and I am a policy analyst with the Texas Public Policy Foundation. I would like to thank you for the opportunity to provide information for interim charge 3. Question 1 of the interim charge reads:

How can the state meet the goals of 60x30TX?

The goals of 60x30 are:

1. 60x30 Educated Population: At least 60% of Texans ages 25-34 will have a certificate or degree.
2. Completion: At least 550,000 students in 2030 will complete a certificate, associate, bachelor's or master's from an institution of higher education in Texas.
3. Marketable Skills: All graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.
4. Student Debt: Undergraduate student loan debt will not exceed 60% of first-year wages for graduates of Texas public institutions.

I will address goals 1 (educated population) and 2 (completion) below.

According to the Texas Higher Education Coordinating Board's (THECB) most recent [report](#) to the Legislature in 2019, 43.5% of the target population had a degree or certificate from a Texas or out-of-state higher education institution.

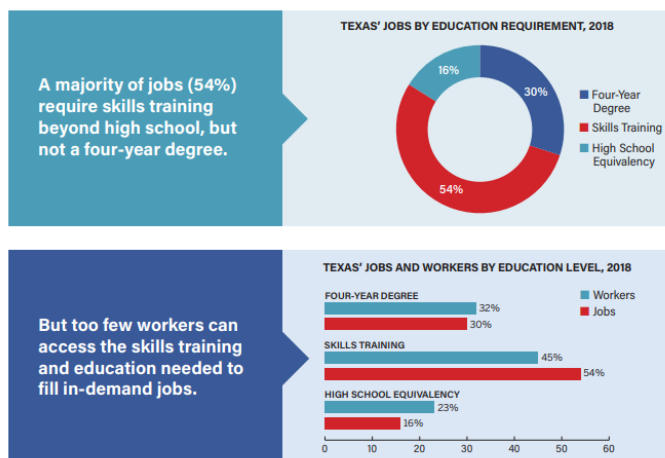
According to a February 2020 *Texas Tribune* [interview](#) with Texas Higher Education Coordinating Board Commissioner Harrison Keller speaking on the educated population goal, "If we keep making the same kind of incremental progress we are making, we are not going to hit it."

In order to meet goal 1 (educated population), it is critical to expand the emphasis on the sources of credentials accepted as part of the 60% to include industry-based and short-term credentials that could be earned in high school and/or not supplied directly by 2-year and 4-year higher education institutions.

Goal 2 (completion) is also not on track to be met. In 2019, THECB projected that each year until 2030 there would have needed to be an increase of 3.9% of higher education "completers" to meet the goal. Given Texas's [higher education enrollment declines](#) due to COVID-19, this already unrealistic trajectory now looks completely unattainable.

Taxpayers and policymakers should question whether the emphasis on completing credentials supplied by higher education institutions is a reliable proxy for gauging whether the population is educated and instead focus on incentivizing higher education institutions, including community colleges, to deliver education that leads to jobs. One way to do this would be for programs in career and technical education at higher education and community colleges to operate based on the return-value funding model that Texas State Technical College [has demonstrated as successful](#).

The state's strategy needs to be reframed around how to meet the demand for a skilled workforce, regardless of the *source* of the training. Texas faces a middle-skill, or skilled trade, gap, according to the [National Skills Coalition](#):



Middle skills are those that require some additional training but not a 4-year college degree. These skills could be provided in shorter-term training settings, trade schools, and in employer-based training programs.

In House Bill 3, the Legislature passed college, career, and military readiness bonuses (Texas Education Code §48.110). Career readiness is indicated by achieving a “college ready” score on the TSIA or equivalent and earning an industry-based certificate. However, under §48.1101 of the Education Code, the Texas Education Agency will report on alternate measures of career readiness in January 2021. The Legislature should carefully weigh including measures such as post-graduation employment outcomes as indicators that count toward the college, career, and military readiness bonus.*

Thank you for the opportunity to provide this information, and I look forward to future discussions.

Erin Davis Valdez is a policy analyst at the Texas Public Policy Foundation, a 501(c)(3) non-profit, non-partisan free market think tank based in Austin.

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Chair Turner and Members of the Committee:

My name is Erin Davis Valdez, and I am a policy analyst with the Texas Public Policy Foundation. I would like to thank you for the opportunity to provide information for interim charge 3. Question 3 of the interim charge reads:

Is there legislative action that could help expand work-based learning?

* For additional information see *Mismatch? Aligning Secondary Career and Technical Education with Regional Workforce Demand* by Erin Davis Valdez and Sam Johnson, Texas Public Policy Foundation, May 2020 (<https://files.texaspolicy.com/uploads/2020/05/05112536/Valdez-Johnson-Workforce-Demand.pdf>) and *Improving Outcomes for Texas Career and Technical Education Students* by Erin Davis Valdez, Texas Public Policy Foundation, December 2019 (<https://files.texaspolicy.com/uploads/2019/12/10142130/Valdez-Improving-Outcomes-for-CIE.pdf>).

The best career and technical education programs are those that include work-based learning opportunities.* The Texas Education Agency recognizes this by including practica, which can include internships and co-ops, in the 3rd and 4th years of many of the approved, state-wide programs of study.

The Foundation recommends that the Legislature pass legislation that allows secondary CTE allocations to be used by school districts to outsource to the community paid internships and apprenticeships that serve as practica within a program of study. It should also consider increasing the amount of the allotment that school districts are required to spend on CTE programs from 55% to 85%. HB 3 set the minimum at 55% (Texas Education Code §48.106(c)).

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My name is Erin Davis Valdez, and I am a policy analyst with the Texas Public Policy Foundation. I would like to thank you for the opportunity to provide information for interim charge 3. Question 7 of the interim charge reads:

What changes, if any, are needed to align data collection between the THECB, TWC and TEA in order to collect consistent metrics?

Texas Workforce Commission's digital infrastructure, as highlighted by the COVID-19 crisis, is in desperate need of updating. In addition, in order to better align workforce and secondary/postsecondary vocational training, TWC should explore whether unemployment insurance wage records are robust enough to give meaningful and actionable data on outcomes for vocational programs.

The Foundation recommends that the Legislature and the Tri-Agency Commission study how to create stronger incentives for transparency and data access for researchers to study and compare outcomes from various state-funded workforce training programs. This would enable policymakers to allocate funding toward educational and training interventions based on their return on investment. A national example of this is the Evidence-Based Policymaking Act (H.R. 4174), which "requires agency data to be accessible and requires agencies to develop statistical evidence to support policymaking."

Thank you for the opportunity to provide this information, and I look forward to future discussions.

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* For additional information see *Closing the Middle-Skill Gap: High School Internships* by Erin Valdez and Josie Theal, Texas Public Policy Foundation, April 2019 (<https://files.texaspolicy.com/uploads/2019/04/12170905/2019-04-PB-Valdez-Theale-CIE-Middle-Skill-Gap.pdf>), *Improving Outcomes for Texas Career and Technical Education Students* by Erin Valdez, Texas Public Policy Foundation, December 2019 (<https://files.texaspolicy.com/uploads/2019/12/10142130/Valdez-Improving-Outcomes-for-CIE.pdf>), and *Mismatch? Aligning Secondary Career and Technical Education with Regional Workforce Demand* by Erin Valdez and Sam Johnson, Texas Public Policy Foundation, May 2020 (<https://files.texaspolicy.com/uploads/2020/05/05112536/Valdez-Johnson-Workforce-Demand.pdf>)