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House Higher Education Interim Charge 3:

Review progress toward the goals of the 60X30TX plan, including institutional strategies for responding to diverse and rapidly changing workforce needs and demands, including workforce education, industry certification, and degree programs to address healthcare shortages. Specifically review community colleges' capacity to meet the goals of 60X30TX, including a review of taxing districts and service areas versus geographic areas of need. Review the Tri-Agency Workforce Initiative's work-based learning, industry-aligned internships, and industry credential initiatives. Consider whether legislative action may be needed to expand work-based learning and recruitment efforts for adults who have previously completed some college level coursework.

1. How can the state meet the goals of 60x30TX?

Meeting the state's 60x30TX goals has become more important than ever. Given long-term trends such as globalization and automation as well as shorter-term, COVID-related economic disruptions, educational attainment is becoming increasingly critical to attaining high-paying jobs and sustaining our state's economic prosperity. Across the U.S., 80% of jobs earning at least \$35,000 require at least some postsecondary attainment (See Appendix, Figure A).¹ However, Texas is still falling significantly short. Only 32% of Texas high school graduates earn a postsecondary degree or credential within six years of high school.² For adults between 25 and 34 years old, Texas currently falls 16 percentage points short of its 60x30TX attainment goal.³

The state can dramatically increase postsecondary attainment and meet its 60x30TX goals by taking comprehensive, statewide approaches to strengthening pathways to high-value degrees and credentials. Through student-facing program report cards and living wage designations for all postsecondary programs, students can make more informed decisions about their educational futures. Course pathways should be made more direct and clearer for students by adopting statewide meta-majors and expanding co-requisite remediation options for students. Credit transfer can be made more seamless through common course numbering within higher education regions. Additionally, the TEA, THECB, and TWC can more effectively work together towards

¹ Georgetown University Center on Education and the Workforce, "Three Educational Pathways to Good Jobs," 2018. <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/3ways-FR.pdf>

² Texas Education Agency, Texas Academic Progress Report, Postsecondary Outcomes Summary, High School Class of 2011. https://rptsvr1.tea.texas.gov/cgi/sas/broker?_service=marykay&_debug=0&single=N&batch=N&app=PUBLIC&ptype=H&_program=perf rept.perfmast.sas&level=state&search=distnum&namenum=&prgopt=2019/tapr/ps_outcomes_sum.sas

³ Texas Higher Education Coordinating Board, Higher Education Accountability System, Statewide Total, 2018. <http://www.txhigheredaccountability.org/AcctPublic/InteractiveReport/AddReport>

a shared 60x30TX vision by integrating data collection/sharing and adopting complementary goals in support of educational attainment. The 60x30TX vision can be refined by expanding the definition of credentials to include privately issued credentials (ie. coding academies) as well as creating attainment sub-goals around attainment of workforce-aligned degrees and credentials.

One further option is for the state to differentiate pricing and financial aid options for certain programs, so the degrees and credentials most needed in the workforce are the least expensive for students to obtain. By reducing net student costs in these much-needed programs, the state can drive completion in high-demand fields and ensure not only that we meet 60x30 goals, but we meet them with the best possible mix of degrees and credentials to ensure the state's workforce is prepared for future growth.

2. How has the pandemic impacted our state's workforce needs?

The COVID-19 pandemic has exposed and accelerated challenges to our state's workforce. With large oil and gas, hospitality, and retail industries, Texas has been vulnerable economically to COVID-related shut-downs.⁴ In only three weeks – from March 21st to April 4th – more Texans filed for unemployment (750,000) than in all of 2019 (See Appendix, Figure C).⁵ Importantly, job losses have not been distributed evenly across populations. In Texas and across the nation, many of the most vulnerable populations and communities have been hit hardest by job loss and economic uncertainty. In April, the Bureau of Labor Statistics reported unemployment rates that varied significantly by educational attainment: while only 8.4% of Americans with a bachelor's degree or higher were unemployed, that figure was 21.2% for Americans with less than a high school diploma (See Appendix, Figure D).⁶ And perhaps most significantly, it is estimated that 32-42% of all jobs eliminated during the COVID-19 pandemic will not return.⁷ With people with lower educational attainment disproportionately affected by job loss, workforce development efforts such as reskilling, upskilling, and credentialing programs have become critical to getting Texans back on their feet and into high-paying, in-demand jobs.

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

Work-based learning has massive potential to improve educational outcomes and bring our state's education and workforce systems into closer alignment. Programs such as the THECB's TXWORKS Internship Program have helped to connect thousands of students to internship

⁴ Michael Ettlinger and Jordan Hensley, "COVID-19 Economic Crisis: By State," University of New Hampshire, Carson School of Public Policy, August 2020. <https://carsey.unh.edu/COVID-19-Economic-Impact-By-State>

⁵ U.S. Department of Labor, "News Release," April 9, 2020. <https://www.dol.gov/ui/data.pdf>; U.S. Department of Labor, Unemployment Insurance Weekly Claims Data, Initial Claims, 2019. <https://oui.doleta.gov/unemploy/claims.asp>

⁶ U.S. Bureau of Labor Statistics, The Employment Situation – January 2020 through August 2020. <https://www.bls.gov/news.release/pdf/empsit.pdf>

⁷ Barrero, Bloom, and Davis, "COVID-19 Is Also a Reallocation Shock," University of Chicago, Becker Friedman Institute, June 2020. https://bfi.uchicago.edu/wp-content/uploads/BFI_WP_202059.pdf

opportunities. However, more can be done to expand high-quality work-based learning in Texas. To start, state agencies, higher education institutions, and employers should collaborate to develop credit and credentialing opportunities connected to internships. Internships can impart valuable, quantifiable skills -- students should receive credit wherever possible. Likewise, apprenticeships may provide an alternate path to living-wage careers. The state should evaluate the regulatory barriers that may limit uptake of apprenticeship programs and consider the role of occupational licensing reform as it relates to apprenticeship opportunities. Further, the Legislature should re-examine the objectives of work-study programs in colleges and universities and consider more closely aligning student positions to meaningful skills and experiences for the workforce. This could mean encouraging more off-campus work-study opportunities and tracking work-study opportunities by industry and skill acquisition. Last, P-TECH high schools represent a promising effort to provide meaningful college and work experiences to high school students, especially to those from low-income and marginalized communities. P-TECH opportunities should be expanded to communities that can support high-quality partnerships among LEAs, IHEs, and employers. A statewide landscape analysis can uncover new regions and communities in Texas where the P-TECH high school model can succeed.

4. Do current community college district boundaries align with the needs of the communities they serve? If not, how should they be altered and why will those changes improve educational opportunities for Texans?

No, community college district boundaries do not consistently align with the needs of local communities. First, there is a significant misalignment between community college taxing districts and service districts, meaning that 1) tax burdens fall disproportionately on the communities physically closest to the institution, and 2) institutions are discouraged from offering programs in communities that fall within the service district but outside of the taxing district. These problems can potentially be addressed by aligning taxing districts to service districts in a reasonable manner. For example, counties should be taxed relative to their use of local community colleges -- the more students that are enrolled in a community college from a certain county, the more that county should contribute to funding the institution. Also, more can be done within community college districts to align programming and ensure that degrees and credentials are offered to as many interested students as possible. For example, the Dallas County Community College District recently consolidated into a unified Dallas College, making credit transfer among campuses seamless. Efforts such as this one can make the college experience more “student-friendly” and encourage more students to earn degrees and credentials in timely, cost-effective ways.

5. What is the current capability to handle an influx of Texans seeking re-training or upskilling opportunities through state programs?

Insufficient. Texas offers many workforce development and credentialing programs at both the state and local levels, addressing a wide range of participant needs. However, Texas does not currently have the kind of robust data tracking, evaluation, and accountability systems in place that are necessary in order to maximize limited resources. Given the staggering challenge that

faces our state -- re-training and credentialing millions of workers -- every effort must be made to evaluate existing programs and determine which should be scaled, which should be altered, and which should be discontinued (See Appendix, Figure G for employment and earnings outcomes of Texas Workforce Commission workforce development programs).

As an interim measure before program evaluation and prioritization can be completed, Texas could add visibility to these programs through a simple and clear dashboard to capture the size and regional participation in programs that are completely workplace based and those that include a community or technical college partner. THECB and TWC could jointly build such a reporting mechanism.

To maximize re-training and upskilling opportunities, Texas should align offerings to demonstrated workforce needs -- both now and in the future. Timelier, skills-based regional workforce data can help inform program offerings and curriculum. Further, employers should be convened and consulted on a regular basis to understand their needs and align offerings. To hold programs to high, consistent standards, the TWC should adopt value-added metrics similar to those adopted by Texas State Technical Colleges.⁸ These metrics, based on participant employment and earnings outcomes, can help the Legislature and state agencies understand which programs are working and which are not. It can improve decision-making processes and program accountability, ultimately enabling more Texans to access high-value re-training and upskilling opportunities.

6. What is needed in order to identify and address gaps in existing data collection methods?

Decision-makers often lack access to education and workforce data that enables better policymaking. Despite the clear linkages between early childhood, K-12, higher education, and workforce systems, publicly available data is rarely aligned or integrated across systems. Further, data is not consistently outcomes-oriented, timely, or actionable, which reduces the value of data for informing better policy decisions. Granular, longitudinal data from the University of Texas's Education Research Center holds immense potential but is not widely accessible to responsible data users in government or the research community.

In rapidly changing economic conditions, accurate, reliable, and recent workforce data has become increasingly important. To inform stronger decision-making across state agencies and institutions, regional workforce data should include skills-based workforce needs and nuanced, research-based workforce projections. Wherever possible, state agencies should utilize proprietary workforce data sets such as those from Burning Glass to better identify and plan for workforce demands.

7. What improvements could be made to alleviate 'summer melt' and to facilitate streamlined student advising?

⁸ <https://www.tstc.edu/about/funding>

Across the Southwest region (Texas, New Mexico, Arizona), as many as 44% of students who intend to enroll in college “melt” during the summer before college and do not end up enrolling.⁹ This past Legislative Session, the Legislature made significant progress in addressing summer melt through HB 3. The FAFSA completion requirement for high school graduation as well as outcomes-based College, Career, and Military Readiness Allotment that accounts for college enrollment address important contributing factors to “summer melt.” However, more can be done in student advising to ensure that students stay on course the summer following high school to enroll in college. State agencies should build robust, student-facing online tools that ensure an easier transition to college. For example, online advising resources should include automatic reminders of key deadlines (FAFSA, ApplyTexas deadlines), provide outcomes-oriented data helping students make informed decisions about colleges and programs, and individualized course crosswalks that help students understand which credits earned in high school apply to specific college courses. Online tools should make use of cutting-edge technologies such as AI to deliver personalized information to students based on their individualized needs. Last, alternative models of college remediation such as co-requisite and summer (pre-college) remediation should be emphasized to ensure that students enter college academically prepared and are able to begin earning credit towards a degree or credential in their first semester of college.

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

Closer alignment of data collection among the THECB, TWC, and TEA should start with identifying complementary, outcomes-oriented goals. The THECB’s 60x30TX plan offers an excellent starting point for agencies to develop complementary goals around student and worker success. For example, the TEA and THECB can collaborate to identify key benchmarks that will ensure that graduating high school students enter postsecondary programs academically ready for success. The TWC can identify populations at risk of job loss and set goals around credential attainment and upskilling. Further, data collection should speak to the inter-related, continuous pipeline from early childhood to K-12 to higher education to the workforce. To the greatest extent possible, data should be integrated between systems to illustrate progress around shared, complementary goals. Last, Texas collects immensely valuable, student-level data through the University of Texas’s Education Research Center (ERC). However, this data is not widely accessible to responsible researchers seeking to help policymakers identify success stories and areas for potential improvement. In secure, responsible ways that protect student privacy, data access to valuable ERC data should be improved for stakeholders around Texas.

⁹ Alejandra Ceja, “Summer Melt,” Homeroom: The Official Blog of the U.S. Department of Education, July 2013. <https://blog.ed.gov/2013/07/summer-melt/>

Appendix:

Figure A: Breakdown of “Good Jobs” (Earning \$35,000 to workers between ages 25 and 44 and \$45,000 to workers between ages 45 and 64) in the United States, 2018.

Source of Data: Georgetown University Center on Education and the Workforce, “Three Educational Pathways to Good Jobs,” 2018. <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/3ways-FR.pdf>

There are **roughly 30 million “good jobs”** in the United States that pay at least \$35,000 to workers between ages 25 and 44 and at least \$45,000 for workers between ages 45 and 64.

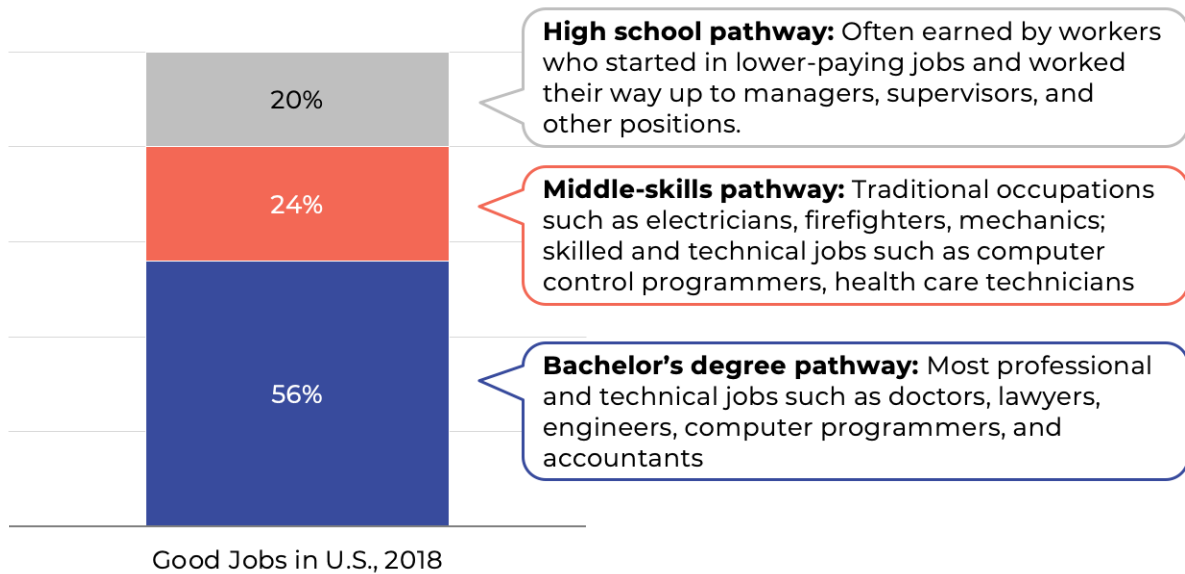


Figure B: Wage Comparison by Educational Attainment for Texans Ages 25-30 Who Attended Texas Public Schools, Median 4th Quarter Wages, 2017

Source of Data: Texas Public Education Information Resource, Wages of Employed Texans Who Attended Public Schools – Statewide Report, “Wage Comparison by Earning Year and Education Attainment for Texans Age 25– 30,” 2017 Median 4th Quarter Wages.

<https://www.texaseducationinfo.org/Home/Index/>

Wage Comparison by Educational Attainment for Texans Age 25-30 Who Attended Texas Public Schools, Median 4th Quarter Wages, 2017

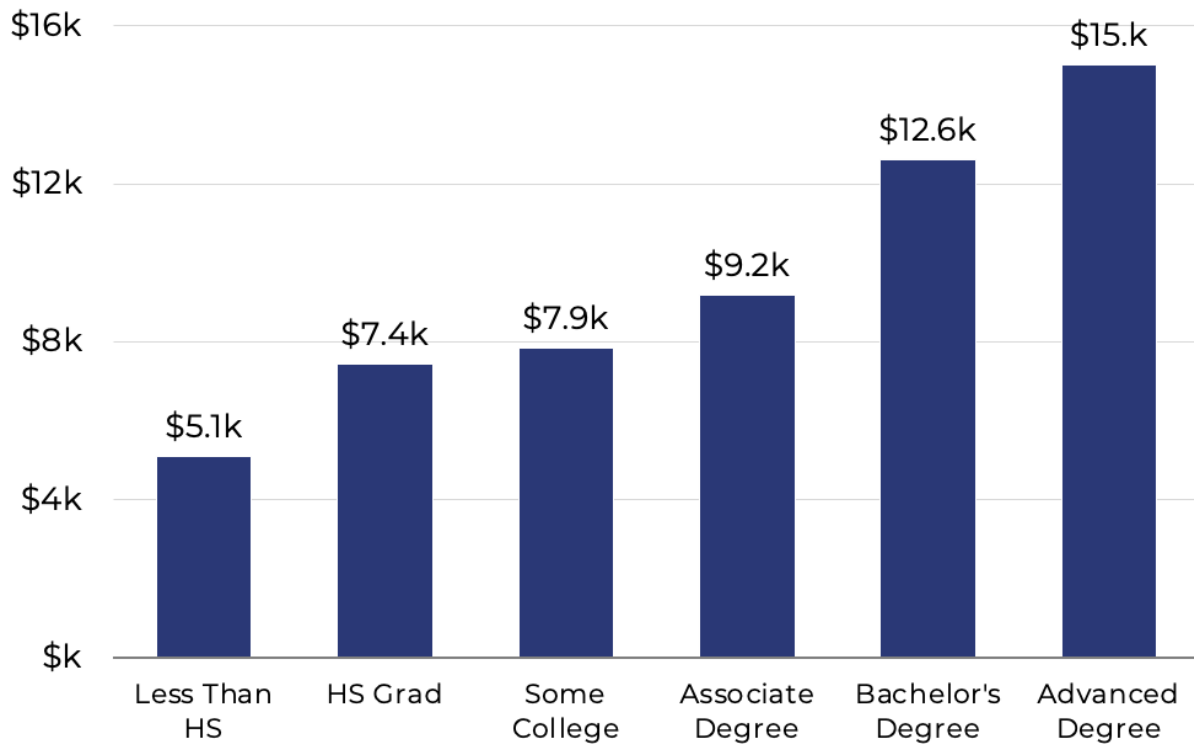


Figure C: Weekly Unemployment Insurance Claims in Texas, January Through August 2020, Initial Claims

Source of Data: United States Department of Labor, Employment & Training Administration, "Unemployment Insurance Weekly Claims Data," June 2019 Through June 2020.

<https://oui.doleta.gov/unemploy/claims.asp>

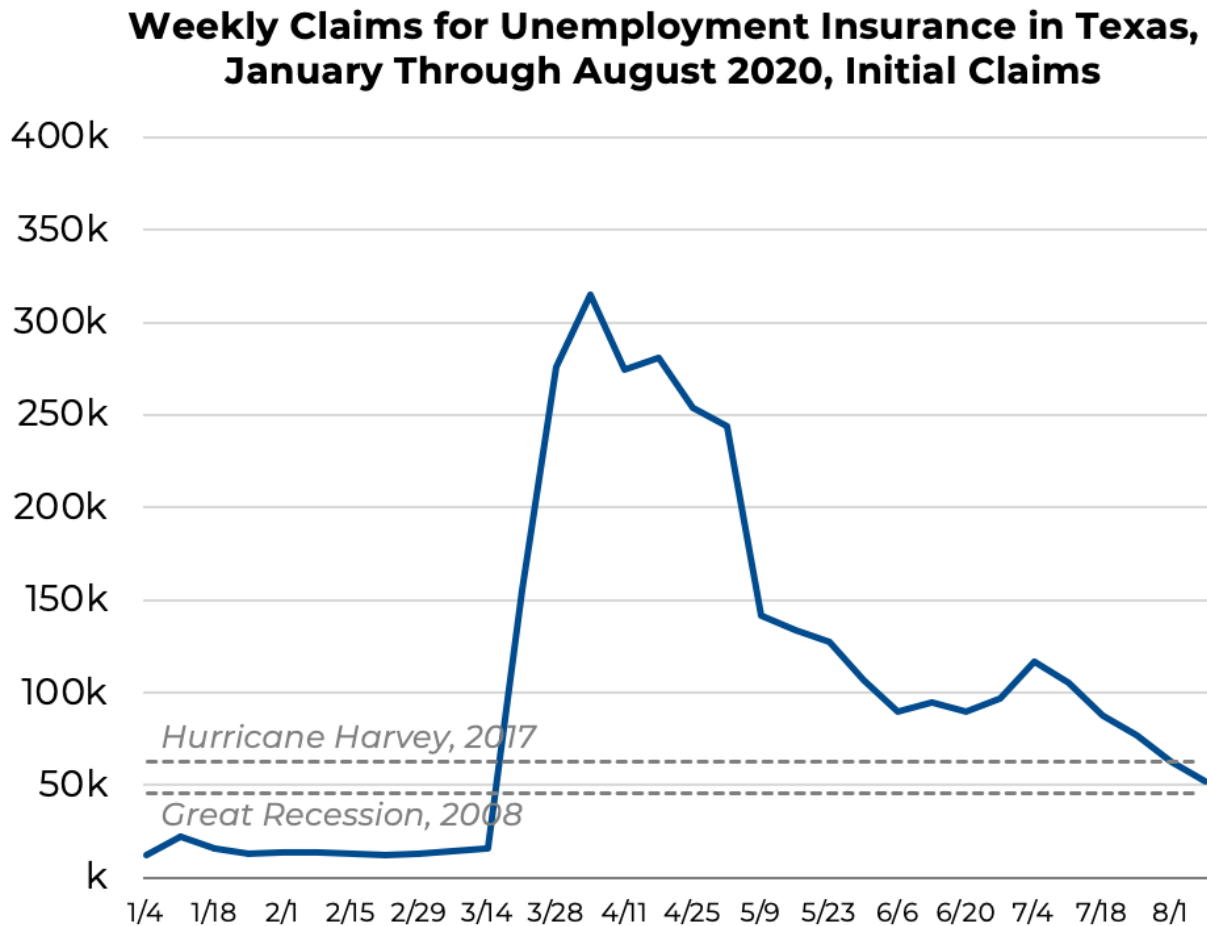


Figure D: U.S. Unemployment Rates by Educational Attainment, 25-Year-Olds and Older, January 2020 through July 2020

Source of Data: U.S. Bureau of Labor Statistics, *The Employment Situation* – January 2020 through August 2020. <https://www.bls.gov/news.release/pdf/empst.pdf>

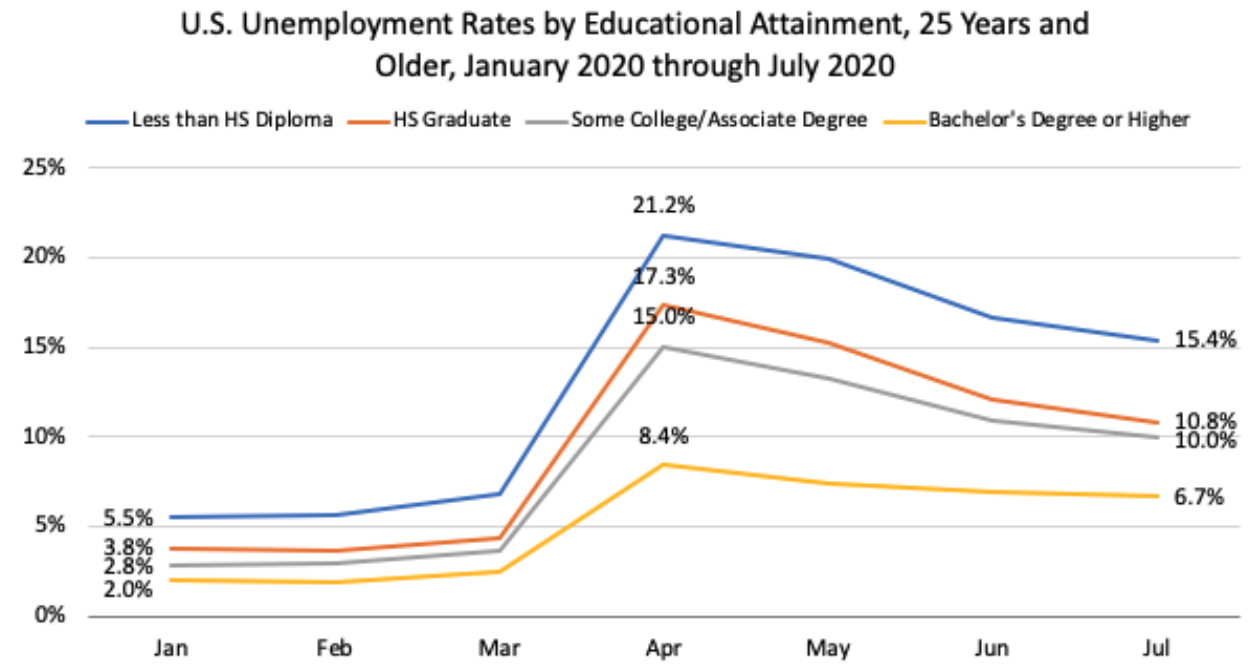


Figure E: Wage Comparison by Employment Sector and Educational Attainment for Texans Ages 25-30 Who Attended Texas Public Schools, Median 4th Quarter Wages, 2017
 Source of Data: Texas Public Education Information Resource, Wages of Employed Texans Who Attended Public Schools – Statewide Report, “Wage and Employment Comparison by Employment Sector and Education Attainment for Texans Age 25– 30,” 2017 Median 4th Quarter Wages. <https://www.texaseducationinfo.org/Home/Index/>

Wage Comparison by Employment Sector and Ed. Attainment for Texans Age 25-30 Who Attended Texas Public Schools, Median 4th Quarter Wages, 2017

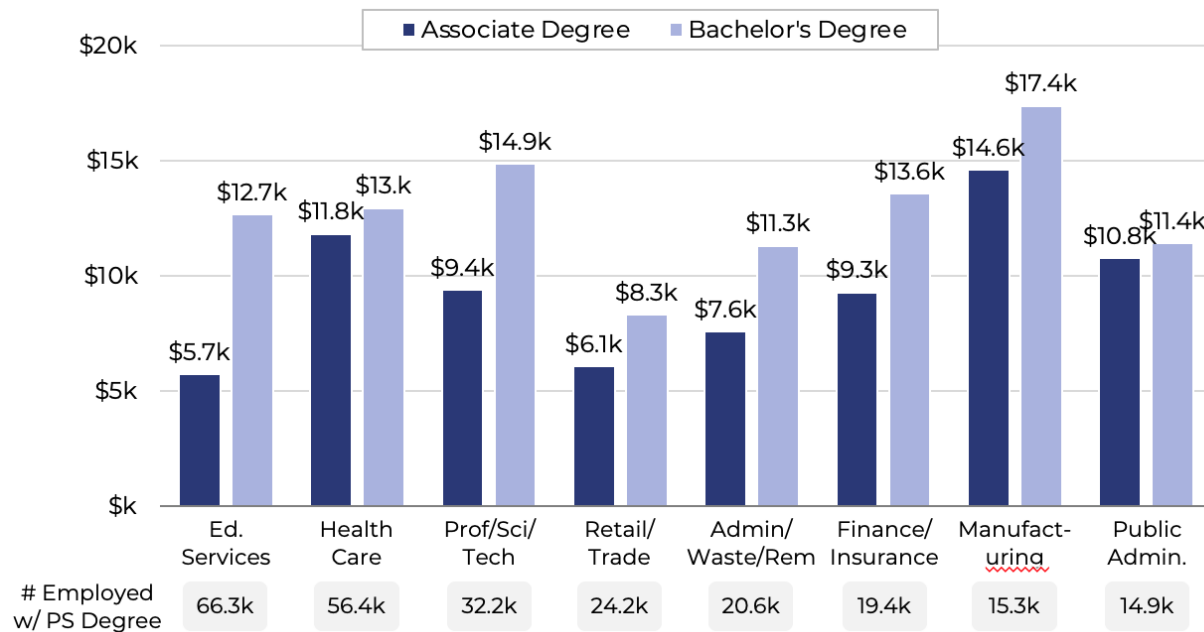


Figure F: Student Enrollment at Texas Community Colleges by Curriculum Area, Fall 2019

Source of Data: Texas Higher Education Coordinating Board, Texas Higher Education Accountability System, Enrollment by Curriculum Area, Fall 2019.

<http://www.txhigheredaccountability.org/AcctPublic/InteractiveReport/AddReport>

Student Enrollment by Curriculum Area in Texas' Public Community Colleges, Fall 2019

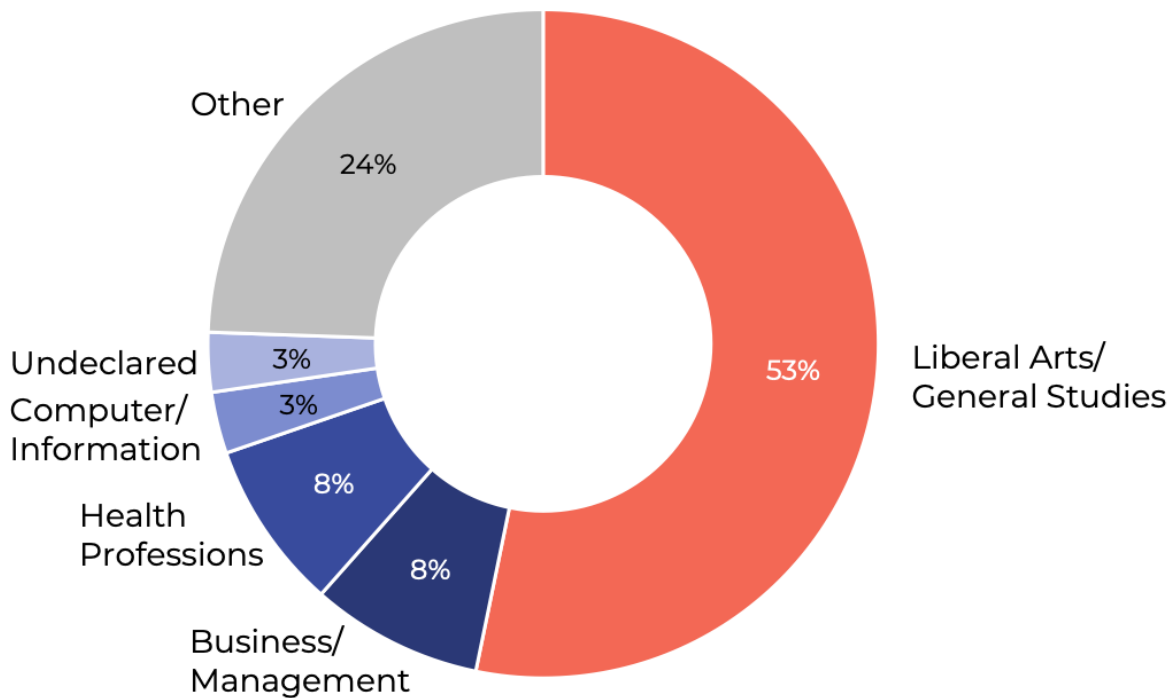


Figure G: Employment and Earnings Outcomes for Participants of Texas Workforce Commission Workforce Development Programs, 2014-2015 Exiting Cohort (Post-Program Employment and Earnings Outcomes)

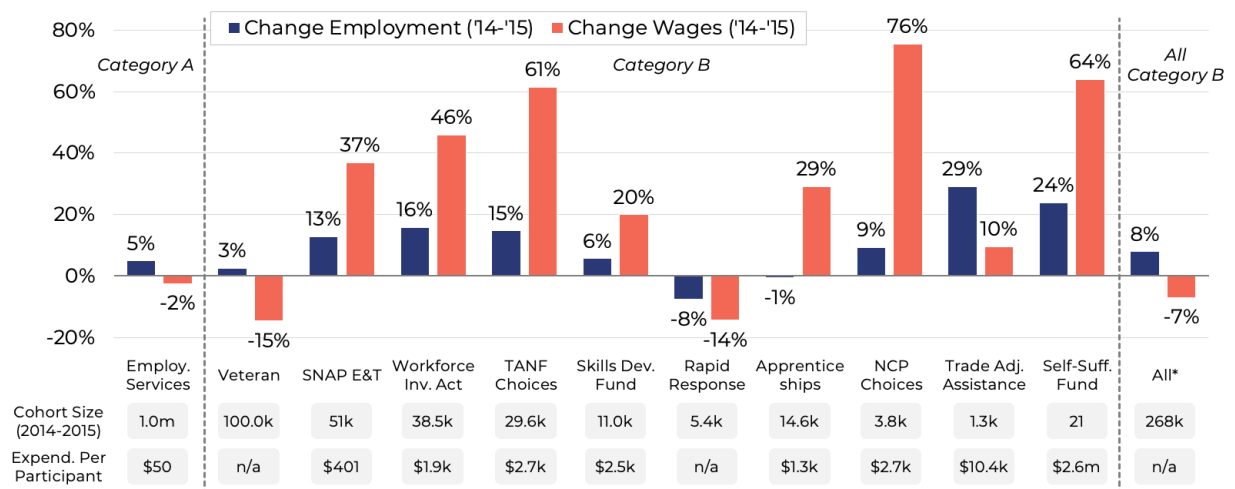
Source of Data: Texas Workforce Commission, Labor Market and Career Information Center, Workforce Program Exit Cohort, 2014-2015: First Year Report (Dashboard),

https://lmci.state.tx.us/researchers/dashboard/Workforce/WF1_1415/WF1_1415_Dash.asp

Expenditures found in TWC Operating Budget for Fiscal Year 2020.

<https://www.twc.texas.gov/files/agency/fy-2020-operating-budget-twc.pdf>

Employment and Earnings Outcomes for Participants of TWC Workforce Development Programs, 2014-2015 Exiting Cohort (Pre- and Post-Program Employment and Earnings Status)



*“All” excludes employment services due to the massive sample size and the fact that most employment services interventions are simply placing/responding to job postings.