



Testimony

HB 3938

Testimony for Senate Natural Resources and Economic Development Committee

by Erin Davis Valdez

Chair Birdwell, Vice Chair Zaffirini, and Members of the Committee:

My name is Erin Davis Valdez, and I am a policy analyst for career and technical education and workforce development at the Texas Public Policy Foundation. Thank you for the opportunity to testify in support of House Bill 3938.

HB 3938 addresses an important issue relating to industry-based certifications (IBC) as they impact *both* the accountability measures for college, career, and military readiness and the college, career, and military readiness (CCMR) bonus program that was instituted under HB 3. This morning, I would like to directly address the role of this list as it relates to the CCMR bonus program.

HB 3 made a good move in the right direction by creating an outcomes-based bonus system for high schools. Above a threshold set by the commissioner, school districts are eligible for up to \$5,000/per student who meets college, career, or military readiness indicators ([TEC §48.110](#)). The college and military readiness indicators both include post-graduation metrics. The glaring exception is career readiness.

- The *college* readiness indicators are achieving college readiness standards on the SAT/ACT or on the TSIA and enrolling in college for the fall after graduation.
- The *military* readiness indicators are achieving a “passing score set by the applicable military branch on the Armed Services Vocational Aptitude Battery” and enlisting in the armed forces of the United States.
- The *career* readiness indicators are achieving college readiness standards on the SAT/ACT or on the TSIA and earning an industry-accepted certificate from the TEA curated list.

However, the [IBC list](#) curated by the TEA is not well-aligned with actual industry demand, which is part of a larger issue that [TPPF research has highlighted](#)—namely, the mismatch between CTE programs of study and high-wage, high-demand occupations across Texas.

Recent data released by the Texas Education Agency drives home this point. **Of 80,286** students who [completed a career and technology education program](#) of study in 2018-19, ONLY

- 0.15% (or 120 students) were in HVAC and sheet metal,
- 0.13% (or 101 students) were in plumbing and pipefitting,
- 0.24% (or 194 students) were in electrical,
- 0.72% (or 580 students) were in welding, and
- 0.69% (or 552 students) were in IT support and services.

There are at least three major issues with the TEA-curated IBC list as it stands:

1. The list is either too long or too short, depending on who you talk to. The goal with the TEA’s IBC list was to include IBCs that align with high-wage, high-demand occupations. But there are significant regional differences in labor markets that can affect which jobs are in demand, for instance.

2. The list cannot keep up to date with industries like information technology that are very dynamic. But the issue is not limited to IT.
3. A recent Burning Glass report showed that only about 18% of credentials earned by K-12 students [are actually in demand by employers](#).

We believe HB 3938 is a step in the direction of better aligning the IBC list with the needs of businesses. In addition, given the success of the outcomes-based funding formula employed by Texas State Technical College (TSTC), we suggest that another reliable indicator of career readiness would include post-graduation wages. ★

ABOUT THE AUTHOR



Erin Davis Valdez is a policy analyst with Right on Work at the Texas Public Policy Foundation. She conducts 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 MA in classics from the University of California, Santa Barbara and a BA in classical studies from Hillsdale College.

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