



Testimony

Testimony Before the Texas House Higher Education Committee

by Erin Davis Valdez, Policy Director Next Generation Texas

Chairman Murphy 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 progress toward 60x30, especially on institutional strategies that better incorporate demand signals from the marketplace. In other words, how do we make sure that institutions providing workforce education have incentives that are aligned with labor market demand?

We are heartened by the emphasis on workforce outcomes in the updated 60x30 strategic plan, [*Building A Talent Strong Texas*](#).

Our analysis and research point toward the following opportunities:

1. *Building a Talent Strong Texas*, sets a goal of 60% of Texans between 25–64 attaining a postsecondary credential of value by 2030. **To meet this goal, students who are currently in high school must have access to pathways that lead to these credentials of value.**

2. We applaud *Building a Talent Strong Texas* 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. As the TriAgency Workforce Initiative will no doubt be addressing in the coming months, 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. Instead, the underlying data sets that determine return on investment should be agreed upon by the agencies. Requiring that industry-based credentials be obtainable by the summer after graduation leaves out a number of the most in-demand and high-wage occupational categories, including HVAC, diesel engine repair, and other skilled trade jobs.

5. For progress toward 60x30 goals to gain momentum, these agencies need to share common definitions of

credentials of value and need to remove obstacles that disincentivize institutions from providing those pathways. Alternatively or perhaps supplementally, workforce education funding should be based on postgraduation earnings, the so-called returned-value funding model that has been demonstrated as successful by Texas State Technical College.

6. [TPPF research](#) points to the need for stronger data linkages between the TEA, TWC, and THECB so that dynamic labor market information is able to rapidly inform educational institutions about the employment outcomes for their graduates.
7. Community colleges, which can play a very important role in our state's workforce development, could adopt a version of the returned-value funding model for their workforce education programs.
8. Policies that build stronger partnerships with employers so that students have frequent instructional and work-based opportunities to learn from experts in the industry should be pursued.
9. Ensure that all students have access to paid apprenticeships through allowing CTE funding to offset instructional costs to employers.
10. Finally, if increasing earning potential for graduates is what *Building a Talent Strong Texas* seeks to accomplish, then employers should be in the driver's seat. They should be letting workforce educators know what skills they need, and instructional institutions should be incentivized to be responsive to those needs. This will be better for students, who will then have better opportunities to identify promising pathways that align with their interests.



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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