



## SJR 81

# Invited Testimony Before the Texas Senate Subcommittee on Higher Education

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Chairman Creighton, Vice Chair Middleton, and Members:

My name is Erin Davis Valdez, and I am an education policy director at Texas Public Policy Foundation. I'm here today to voice our support of SJR 81.

Our Foundation's public amplification of Texas State Technical College's unique returned-value funding model goes back to 2012, as it was being phased in. Dr. Thomas Lindsay wrote in [National Review Online](#), "One is hard-put to imagine an arrangement better suited to providing the accountability to which taxpayers are entitled." Dr. Lindsay's confidence in the outcome of this apparent gamble was well-founded, because it was based on human nature.

Senators, you have an opportunity before you today, more than a decade after Dr. Lindsay's prescient words, an opportunity to expand this now time-tested arrangement.

What are the incentives of the Texas State Technical College (TSTC)? Very simply, to ensure that alumni get high-wage jobs. A hundred percent of their formula funding from the state depends on it.

The TSTC model teaches us that when an organization's mission is aligned with its incentives, new ways of solving problems emerge. Whether the mission is workforce readiness or academic preparation or both, institutions thrive when their results must be validated by the real world.

TSTC does not levy property taxes to cover their capital expenditures. Each session, legislators seek out new TSTC campuses in their communities because their constituents demand it. This session alone, legislators from both sides of the aisle have sponsored nine bills to bring TSTC to their districts. As this committee is well aware and as the Legislature has acknowledged in the K-12 context, career and technical education, especially programs focused on manufacturing, construction crafts, and transportation, are more expensive to offer because of the equipment and space requirements.

As you have already heard, our state has a big need for individuals with skills in manufacturing, construction, transportation, and information technology. These sectors are rapidly changing, and without tight alignment with the skills demanded by employers, public institutions risk wasting students' precious time and money and taxpayer resources on already-outdated training.

One example of how TSTC is responsive to employers is through its partnership with the Federation for Advanced Manufacturing Education (FAME). Thanks to the provisions of [HB 4361](#) passed in 2021, earlier this year TSTC was able to kick off an earn-while-you-learn program in Seguin. FAME's track record of success is remarkable. [Research](#) conducted by Opportunity America and the Brookings Institution in October 2020 revealed that when comparing the wages of students who completed FAME's employer-driven earn-while-you-learn advanced manufacturing program with students who completed non-FAME CTE programs, the average earnings of FAME graduates five-years after completion was \$96,098 compared with \$36,437 for non-FAME participants.

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The Foundation's [recent research](#) has shown that high school career and technical education programs across the state do not show a strong alignment with workforce demand, especially in the high-wage, high-demand fields like construction, transportation, advanced manufacturing, energy, and information technology. As an example, 84% of students do not have access to programs of study in diesel and heavy equipment, and only one student in the whole state completed this program of study in 2019, according to [data from the TEA](#). This despite 2,193 annual openings for roles like truck mechanics, auto body repairers, and diesel engine specialist, and a median wage ranging from \$42,398 to \$67,372 per year.

But there is another kind of alignment that matters even more—the alignment of opportunities with the unique abilities and interests of students. Our research also shows that about 23% of the class of 2019 were neither in the workforce nor in any form of higher education six months after graduation. The pandemic likely exacerbated this issue. Too many young people are not finding postsecondary options that appeal to them—they may believe that college is not for them because they associate it with classroom instruction. As recent books by Richard Reeves of the Brookings Institution and Nick Eberstat of the American Enterprise Institute highlight, young men in particular seem to be struggling to find meaningful pursuits. As of early last year, 11% (over 7 million) workforce-able men between the ages of 25 and 54 were neither working nor looking for work. In 1965, that fraction was about 3%. [In 2020](#), men earned 42% of bachelor's degrees, 38% of master's degrees, and 44% of doctoral degrees.

Yet in 2019, only a third of available jobs were open to those who had a high school diploma or less.

Dual credit programs have the potential to supplement the opportunities available to secondary students who live in areas where their districts may not be able to offer programs of study that require the kinds of equipment, specialized instruction, and workforce alignment that TSTC can offer. Expanding the number of campuses offering high-quality career and technical education has the potential to bring more of these programs closer to home and provide young people with access to great opportunities to advance after graduation.

Finding ways to engage young people in pathways of purpose is not just important for our economy; it is important to the very fabric of our families, communities, and our state. We at the Foundation support the expansion of outcomes-based career and technical education opportunities because we believe that all Texans should have opportunities to grow and thrive.

Thank you for allowing me this opportunity to speak for this important legislation. I am happy to take any questions.

