



TEXAS ²⁰₃₆

Texas Commission on Virtual Education

June 29, 2022

Our Vision

Texas 2036 is a nonprofit organization building **long-term, data-driven strategies** to secure Texas' continued prosperity for years to come.

Overview

Texas is facing **significant challenges in** the labor market.

These challenges are driven by the fact that **the traditional pathways to the workforce are broken** for the majority of Texans.

The 88th Legislative Session can drive systemic change to meet workforce demand and provide value to students through virtual education.

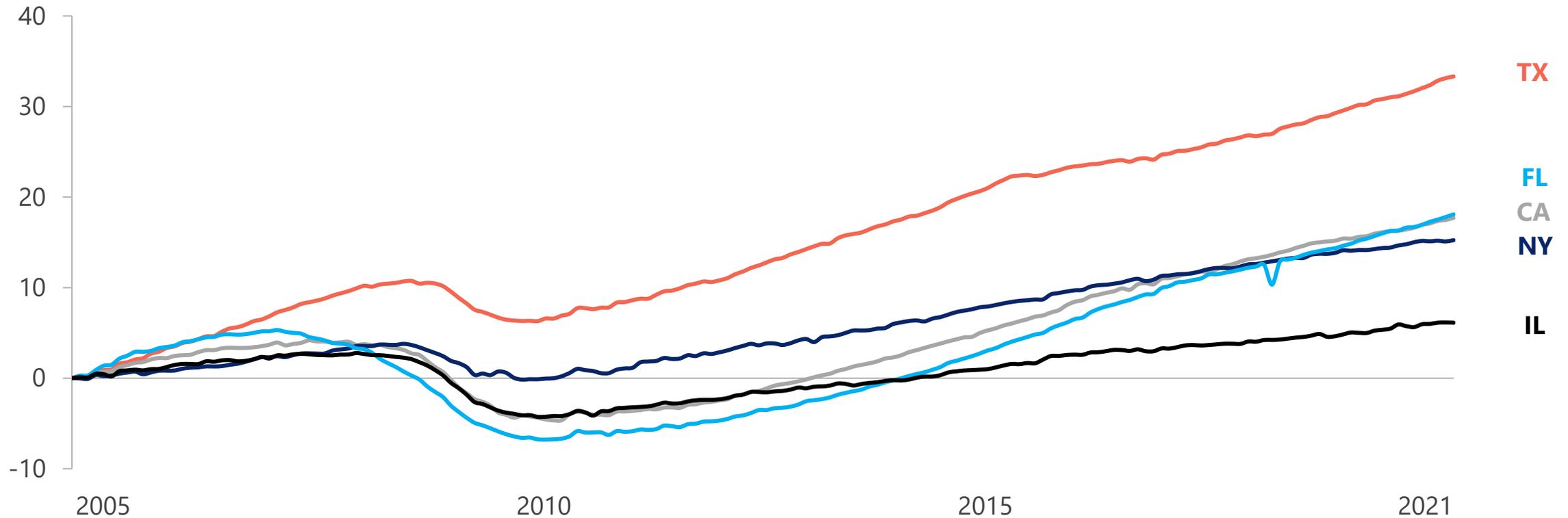




Labor Market Challenges In Texas

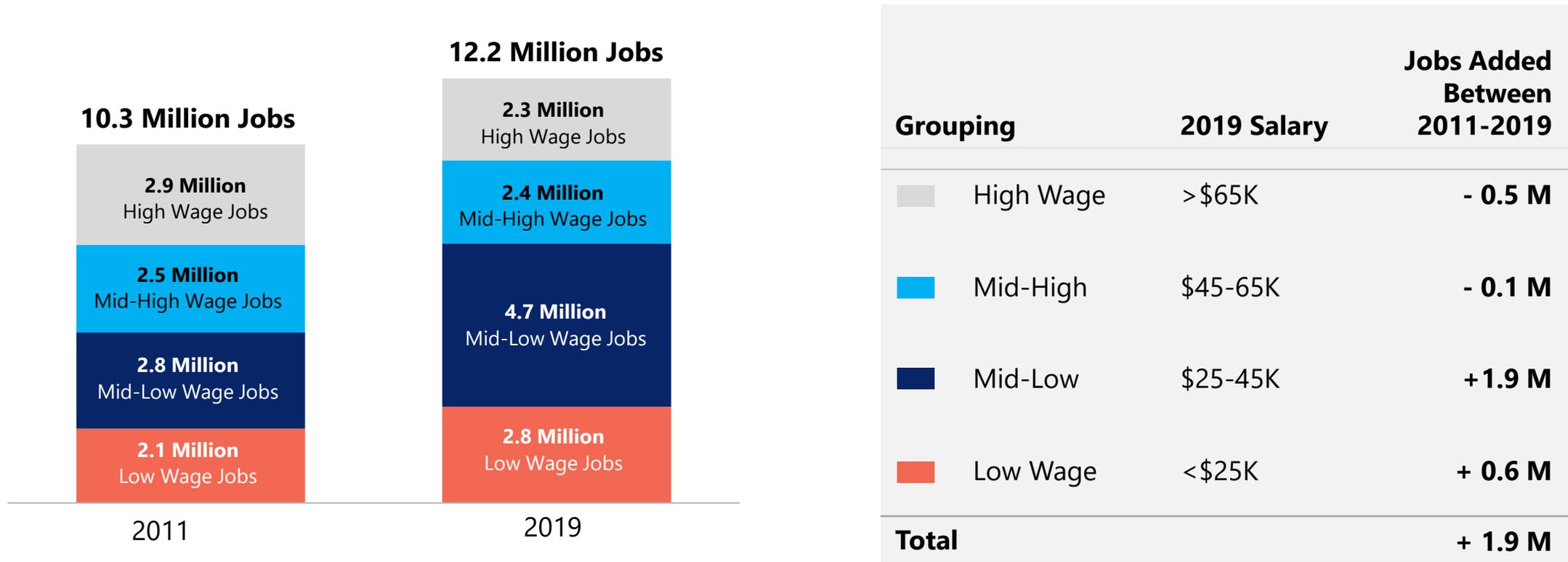
Texas Continues To Create More Jobs Than Peer States And Rest Of The Nation

% Change in Nonfarm Employment



Source: [Bureau of Economic Analysis](#), [Texas Comptroller](#)

Pre-pandemic, Most New Jobs In Texas Paid Less Than \$45k



Note. Assigned each detailed SOC code to a wage band based on available data then summed for each band. Derived 2019 bands for Texas using aligned wage band definitions, based on [United Way's ALICE Project](#) and adjusted to get to 2011 using cost of living adjustment of 3.4% annually over the last decade for the Texas. Detail for ~200k mostly low wage job employees become unavailable with the added granularity to the data pull of industry by occupation.

Source: [Texas Workforce Commission \(TWC\) Occupational Employment Statistics \(OES\) report \(2019\)](#) and [Bureau of Labor Statistics \(BLS\) OES Texas database \(2011\)](#)

Projected Job Growth This Decade Varies Across The State

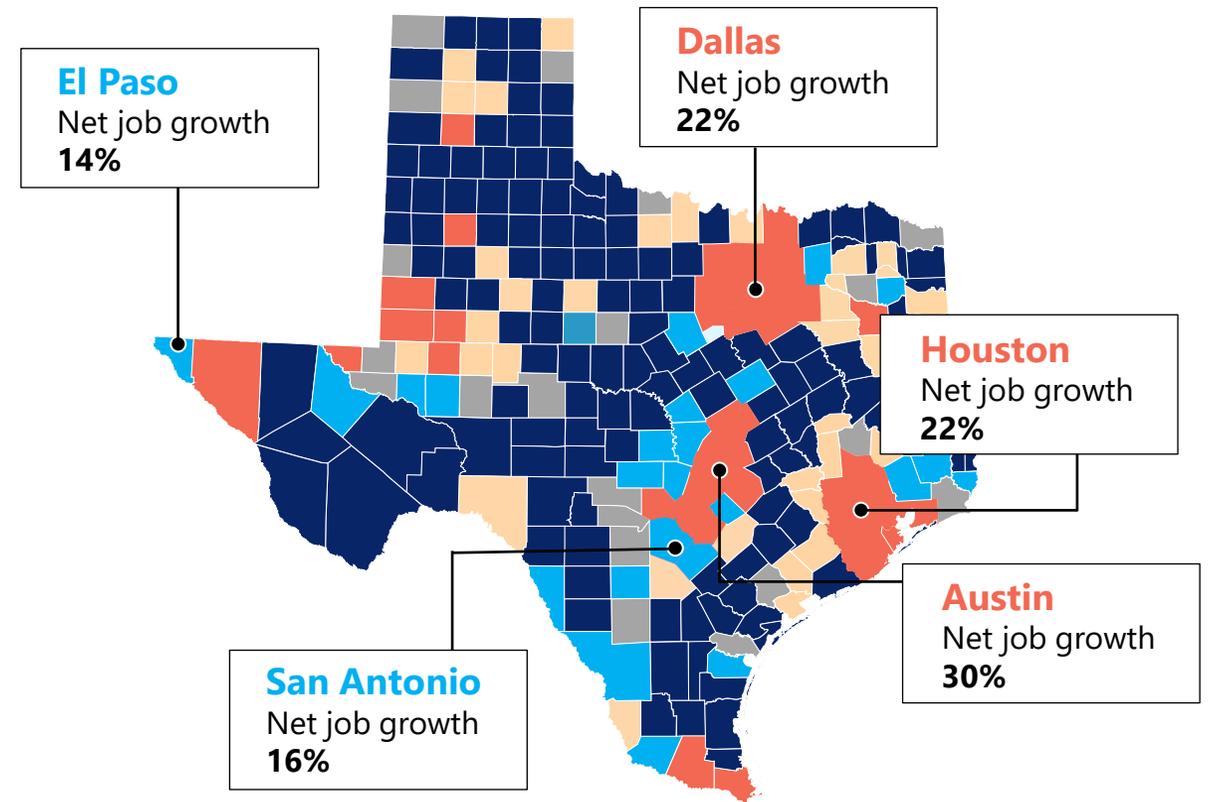


Prior to the pandemic, McKinsey & Co. predicted that Texas could see above-average **net job growth of 19% by 2030.**



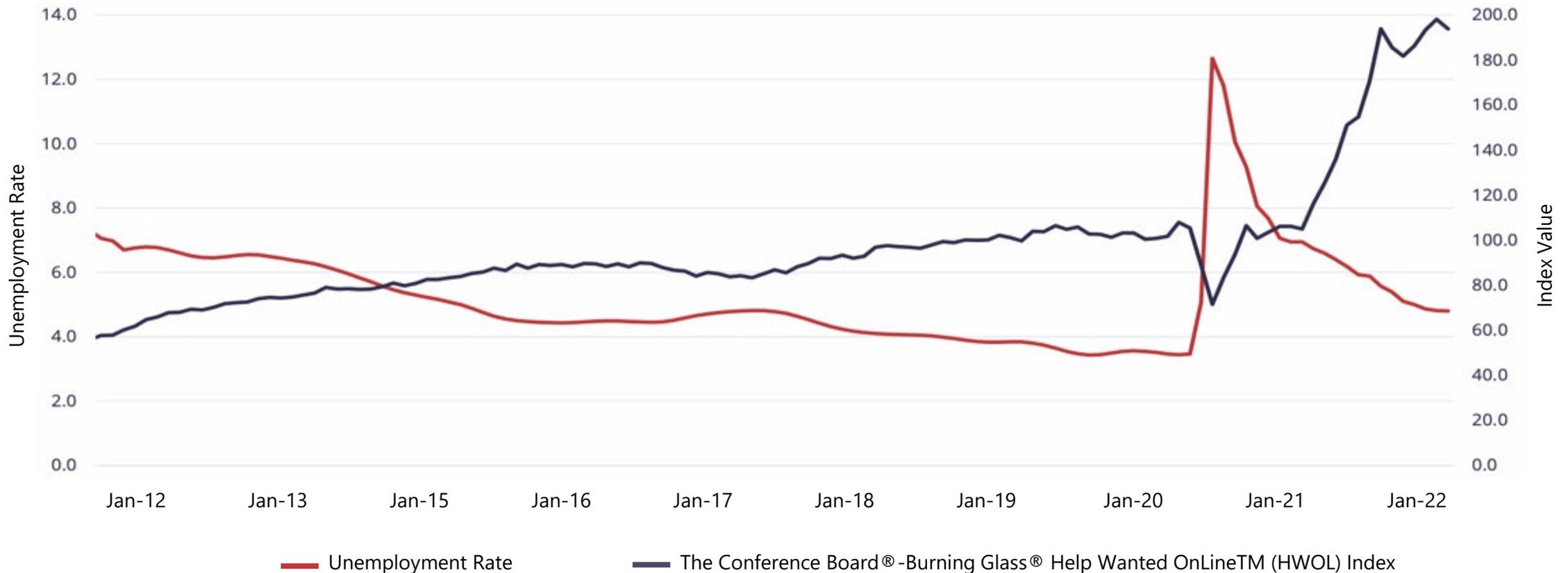
But nearly half of Texas counties could experience **negative employment growth.**

Projected net job growth in mid-point adoption scenario, 2017-2030, %



Employers are Hiring – But Struggling to Fill Jobs

In Jan. 2022, 11,458 more advertised vacancies than unemployed workers in Texas.



Source: Texas Workforce Commission

New Job Postings Cover A Wide Range Of Skills

Top Employers by Postings

Employer	May 2022
Dell	6,342
USAA	6,194
Baylor Scott & White Health	5,940
Hospital Corporation of America	5,778
State of Texas	5,373
Capital One	3,188
Walmart / Sam's	2,831
Anthem Blue Cross	2,276
The Boeing Company	2,055
UnitedHealth Group	2,006

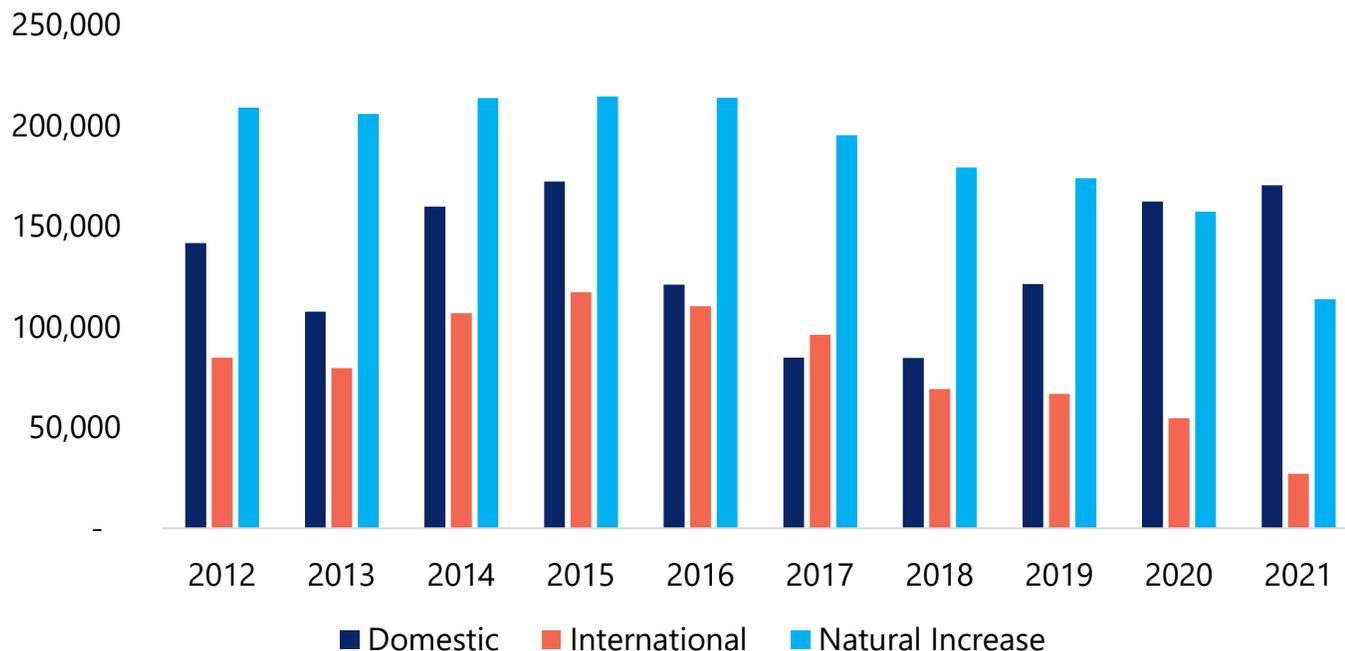
Top Occupations by Postings

Occupation	May 2022
Registered Nurses	31,171
Software Developers, Applications	26,096
Computer Occupations, All Other	20,342
Sales Representatives, Wholesale & Manuf., Except Technical & Scientific Products	17,728
Managers, All Other	17,403
Customer Service Representatives	16,804
Retail Salespersons	16,398
Heavy & Tractor- Trailer Truck Drivers	15,752
Combined Food Preparation & Serving Workers, including fast food	13,377
First-Line Supervisors of Retail Sales Workers	13,222

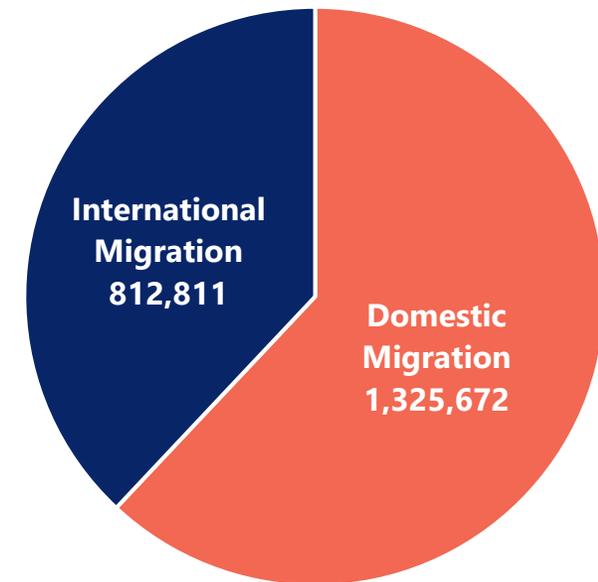
Source: Texas Workforce Commission

Recent Population Growth Has Been Driven By Migration

In pandemic years (2020-21),
**Domestic Migration (333k) exceeded
 Natural Increase (271k)**



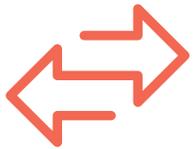
Total Migration (2012-2021)



10-Year Totals
 Total Net Migration - **2.14 million**
 Natural Increase - **1.88 million**

Source: U.S. Census Bureau. 2020 Evaluation Population Estimates and 2021 Vintage Population Estimates.
<https://www.census.gov/newsroom/press-releases/2021/2021-population-estimates.html>

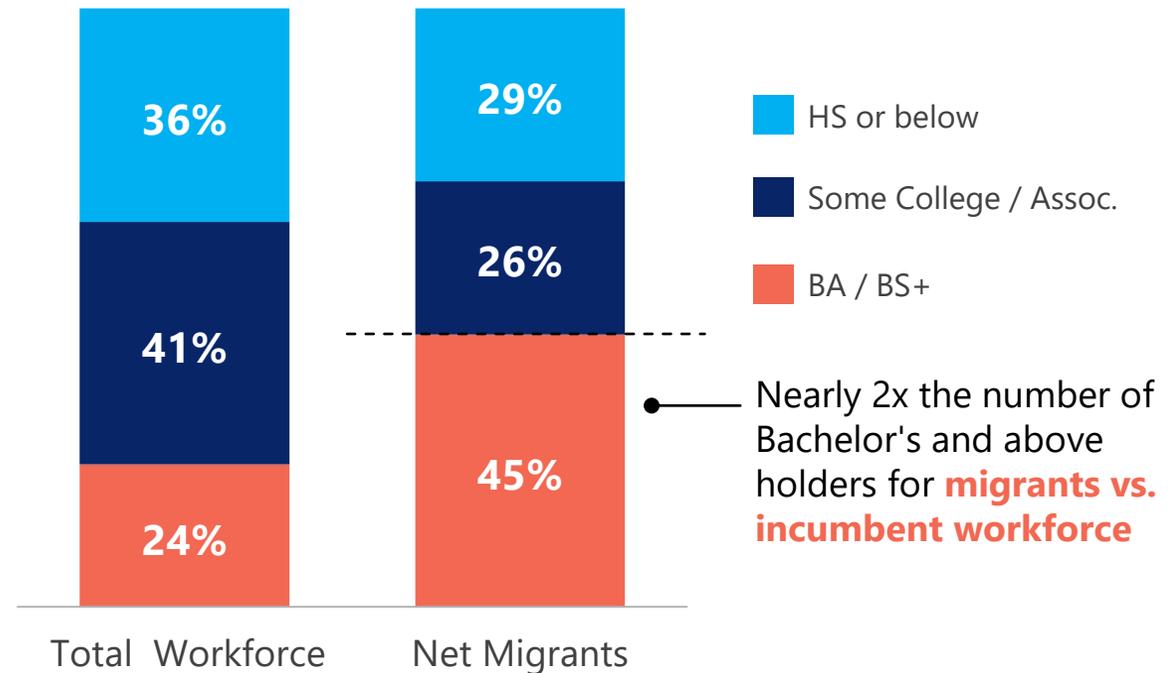
Texas Labor Markets Have Been Supported By The Higher Attainment Of Newcomers



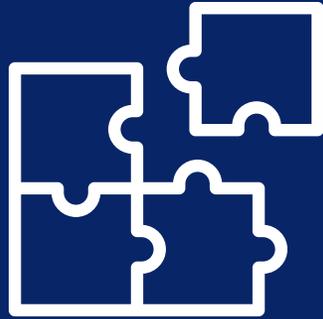
For the past decade, Texas has relied on average **annual net migration of 214k** to buoy its workforce.



In-migrant educational attainment is substantially **higher than the total workforce**.



Notes: Census Bureau population estimates approximate the population on July 1 of the year indicated and, thus, capture changes from the previous year. Data are not available for the decennial census years, 2000 and 2010
Source: "Gone to Texas" from The Dallas Fed and "Geographic Mobility by Selected Characteristic in the United States" Subject Table from Census ACS

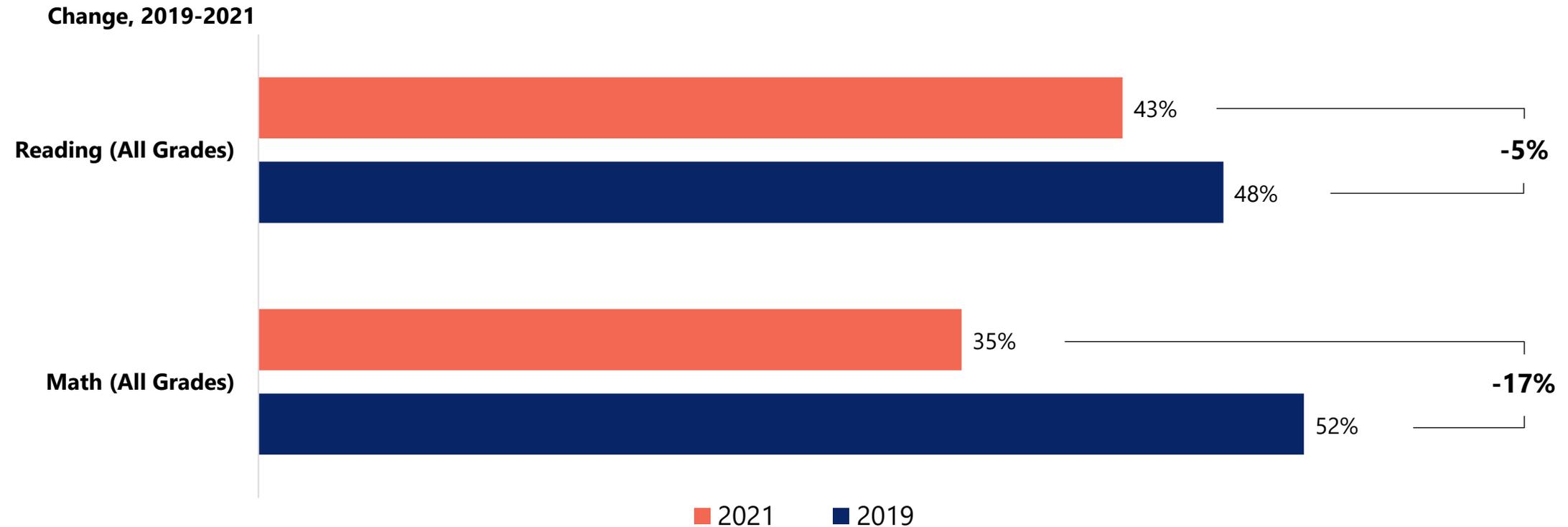


Challenges to Traditional Pathways

COVID Learning Loss Must Be Addressed

COVID Brought Sharp Declines in Student Outcomes, Especially in Math

STAAR Reading/ELA and Math "Meets Grade Level" Rates, 2019 and 2021



Source: Texas Education Agency

Texas Reading Performance Has Been Declining Relative To Other States On National Assessments



of 4th graders are **not proficient** in reading on 2019 NAEP

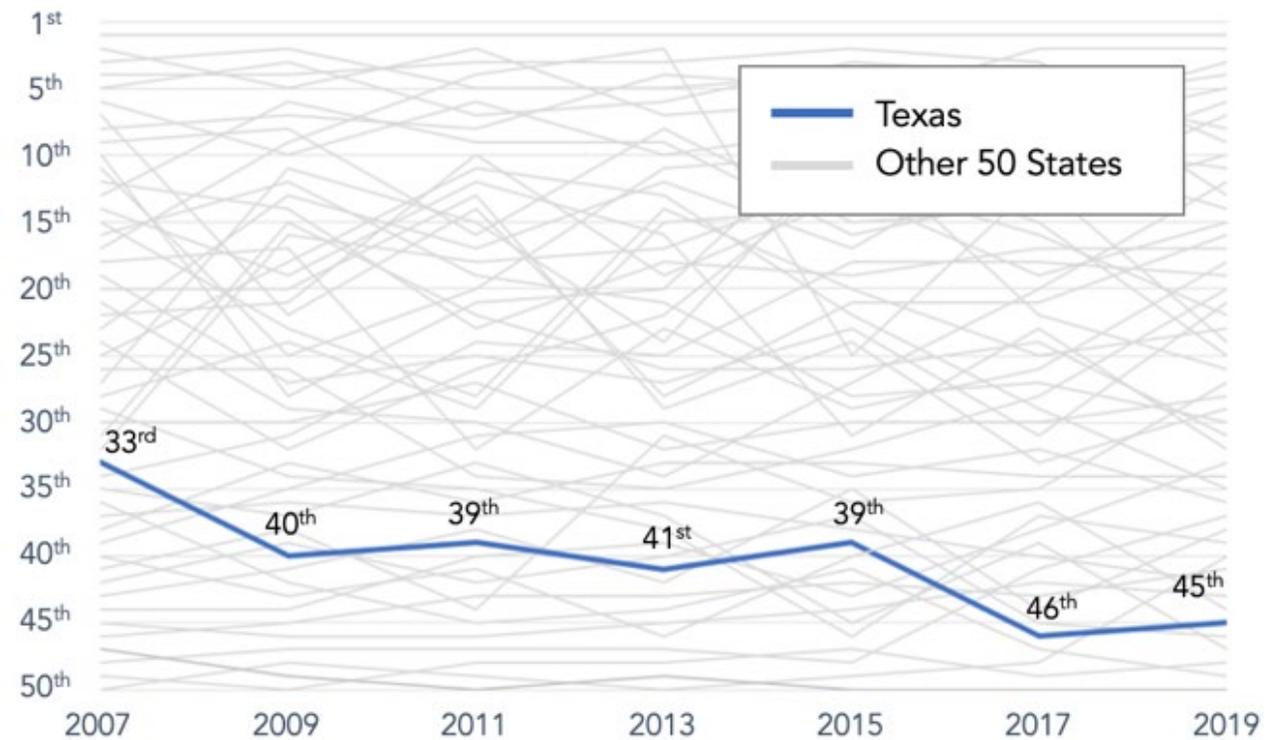


of 4th graders are **not proficient** in math on 2019 NAEP

Persistent achievement gaps persist across **race, ethnicity, & income.**

NAEP 4th Grade Reading, State Rankings

(Percent of 4th Graders Scoring "At or Above Proficiency"), 2007-2019



Source: Nation's Report Card, 2019 NAEP

A High School Diploma Alone Is No Longer Enough

In 2021,  90% of Texas students **graduated with a high school diploma** within four years.

In 2011,  51% of **all jobs in Texas that paid \$65,000 or more** per year were held by Texans with a high school diploma, GED, or below.

By 2019,  11% of **high-paying jobs** were held by Texans with a high school diploma, GED, or below.



Source: TEA and Census American Community Survey (ACS) Public Use Microdata Sample (PUMS database, 2011 and 2018) pull for educational attainment and TWC OES report (2011 and 2019)

Too Few Texas High School Graduates Are Obtaining Postsecondary Credentials

Less than



of Texas, high school graduates obtain a postsecondary credential **within six years of graduation** (Class of 2013).

By 2030,



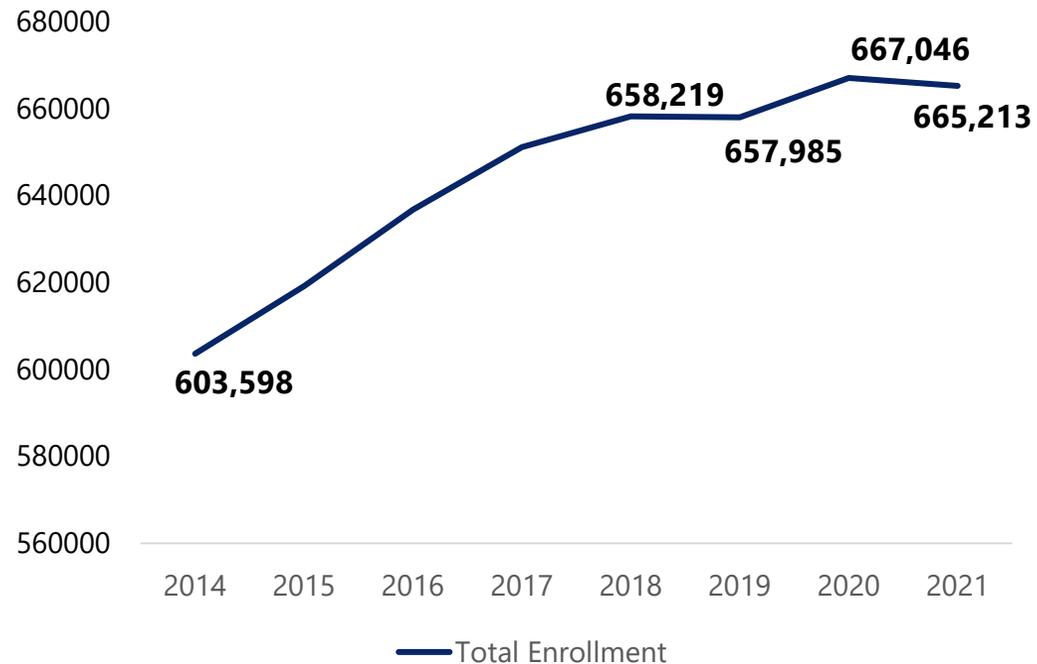
of **all jobs will require** a postsecondary credential.



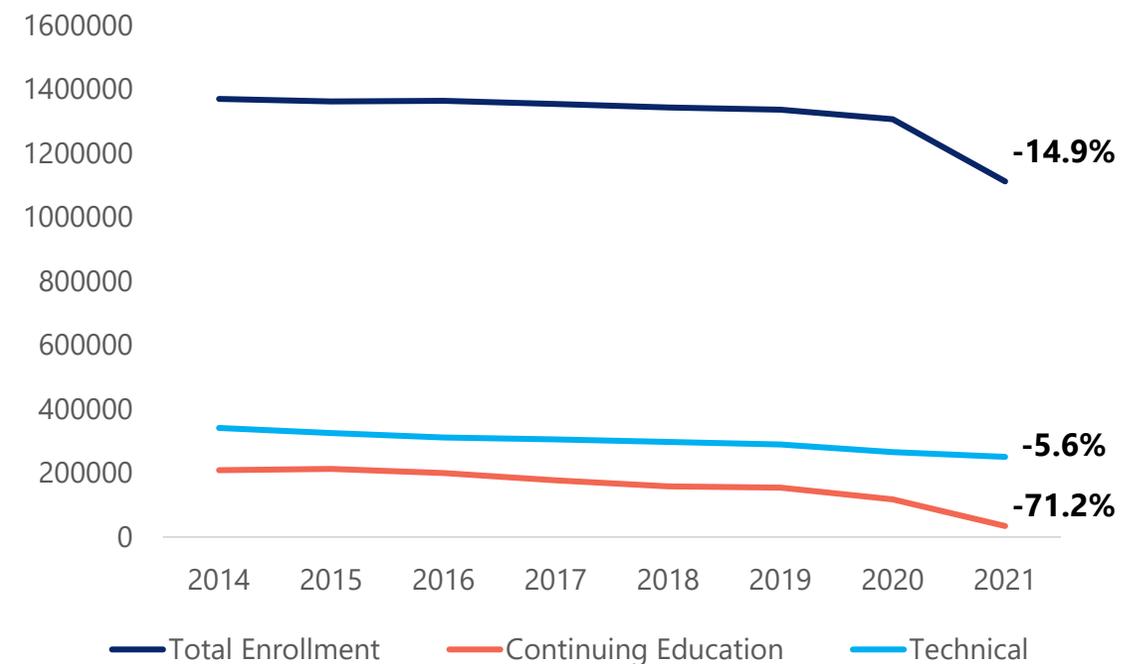
Source: TEA and Georgetown University Center on Education and the Workforce

The COVID-19 Pandemic Has Drastically Impacted Our Education-to-Workforce Pipeline

Public University Enrollment, 2014-2021



Community College Enrollment, 2014-2021



Source: Texas Higher Education Accountability System, Enrollment by Gender, Ethnicity, and Classification, Fall

Source: Texas Higher Education Accountability System, Enrollment by Type Major, Annual Unduplicated

The Perceived Value Of Higher Education Is Also Declining

2022 Texas Lyceum Poll:

Do you think that students attending college get their money's worth for what they spend on higher education, or do they not receive a fair return on their investment?

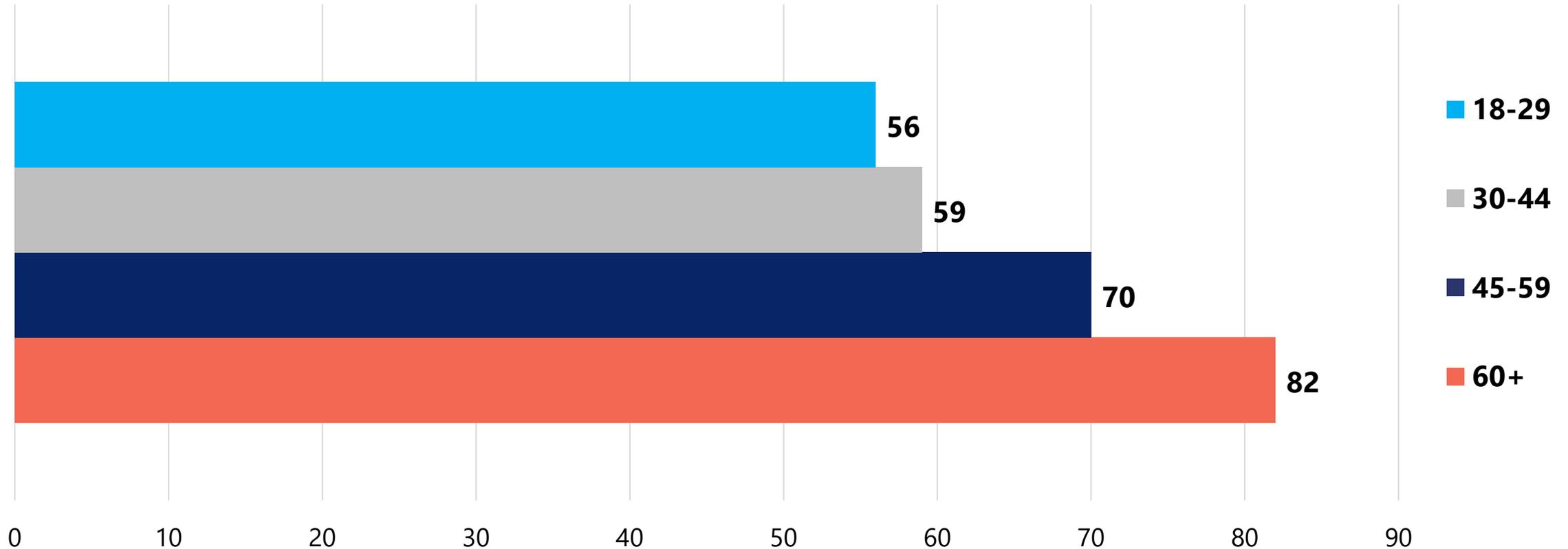
	2011	2012	2022
Students get their money's worth	46%	43%	24%
Students do not receive a fair return on their investment	39%	42%	54%

Note: Polling numbers from the 2022 Texas Lyceum Poll reflect all available data reported in the poll.

The Texas Lyceum conducted a 1,000-person telephone survey of Texas adults (600 cell/400 landline) with a 200-person online supplement between March 11-20, 2022, producing an overall margin for the full sample of +/- 2.83%.

2021 Federal Reserve Survey

When asked if the benefits of higher education exceed costs, younger adults are less likely to perceive the benefits of their education as greater than the costs.



Note: The Survey of Household Economics and Decisionmaking was fielded from October 29 through November 22, 2021 with 11,874 respondents completing the survey.

The Answer to Value is Better Workforce Alignment

Civic Demand



of Texas voters want the state to better orient its educational programs, degree plans, and certifications toward modern, good-paying jobs.



of Texas voters want the state legislature to prioritize resources on college and workforce programs linked to good-paying jobs.

Employer Demand

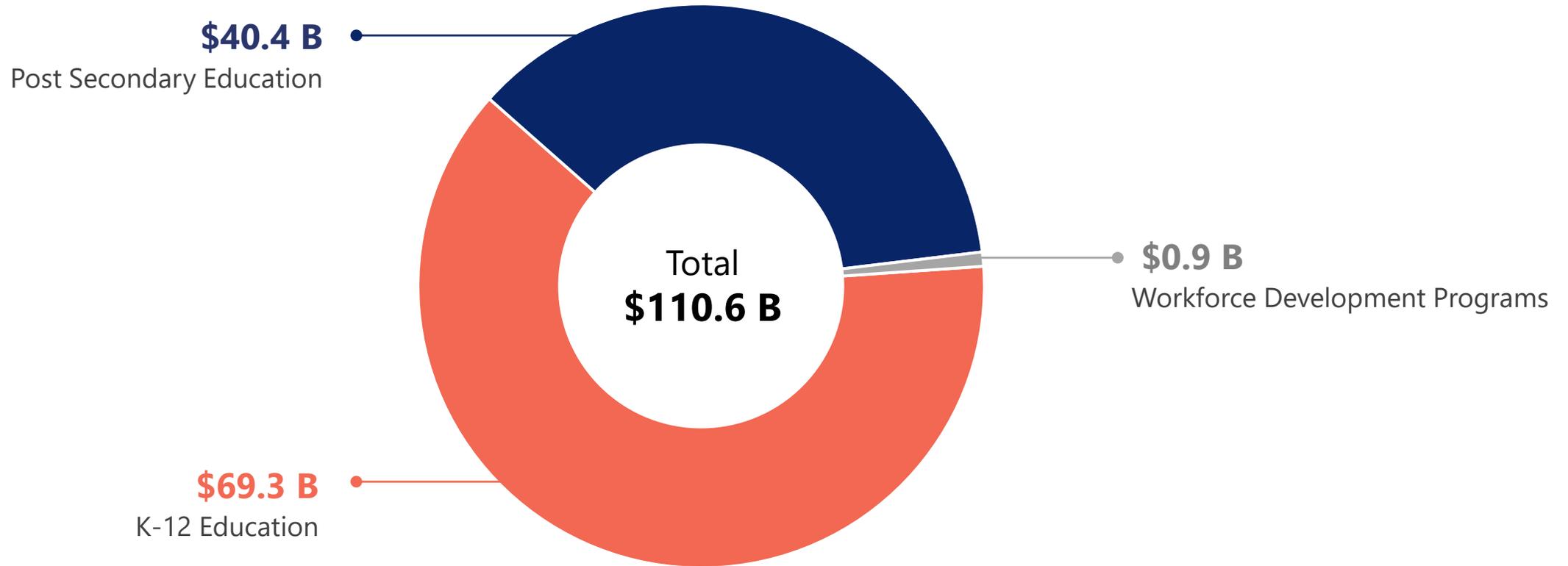
Employers throughout the state point to **workforce development as a top priority**.





Steps Taken By The State

Texas Spends Over \$100B Per Year on Education and Workforce Development



Source: 2021 Texas Education Agency Rider 65 Report; FY 2020 General Appropriations Act; FY 2020 Texas Higher Education Coordinating Board Sources and Uses Detail - Community Colleges, Universities, Health-Related Institutions, Technicals; FY 2020 Jobs & Education for Texans Grant Award List

Education & Workforce Alignment

Tri-Agency Workforce Initiative

- Providing pathways to employment in high-demand occupations, including the completion of a postsecondary credential of value for **60% of Texans aged 25-64 by 2030**
- Ensuring that Texans are supported throughout the **education-to-workforce pipeline** from early childhood education to postsecondary education to the workforce
- Improving state agency and student success data and infrastructure to **empower stakeholders**
- Voluntary pilot program with employers for **enhanced workforce data collection**
- State agency funding for education and workforce training is **aligned with state workforce development goals**

Building A Talent Strong Texas

- Expands credential attainment to include all **working-age Texans**
- Includes all **postsecondary credentials** available to students in Texas as counting toward 60x30TX goals
- Emphasizes the importance of the **state leading in generating knowledge** through basic and applied research, and translating that research to innovations, discoveries, and economic development

HB 3 Demonstrated the State's Commitment to College & Career Readiness

Creation of CCMR Outcomes Bonus

Economically Disadvantaged: \$5,000 for each CCMR graduate

Non-Economically Disadvantaged: \$3,000 for each CCMR graduate

Special Education: In addition to the above, \$2,000 for each CCMR graduate enrolled in special education

Expansion of CTE Funding

Adds Technology Applications to funding weight – including all computer science

Extends funding for CTE to grades 7 and 8

Adds funding to support the P-TECH and New Tech HS models implementation of these pathways

College Entrance & Industry Exam Fee Reimbursement

Reimbursement for SAT/ACT/TSIA

Reimbursement for any of the approved Industry-Based Credentials (IBC)



Areas of Opportunity

Three-Pronged Approach

1

**Better Prepare Students
for College with Increased
Access to Rigorous
Coursework**

2

**Ensuring More Students
Receive Workforce
Training and Credentials in
High School**

3

**Aligning Dual Credit
and Community
College Toward
Workforce Needs**

Three-Pronged Approach Continued

1

**Better Prepare Students
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Access to Rigorous
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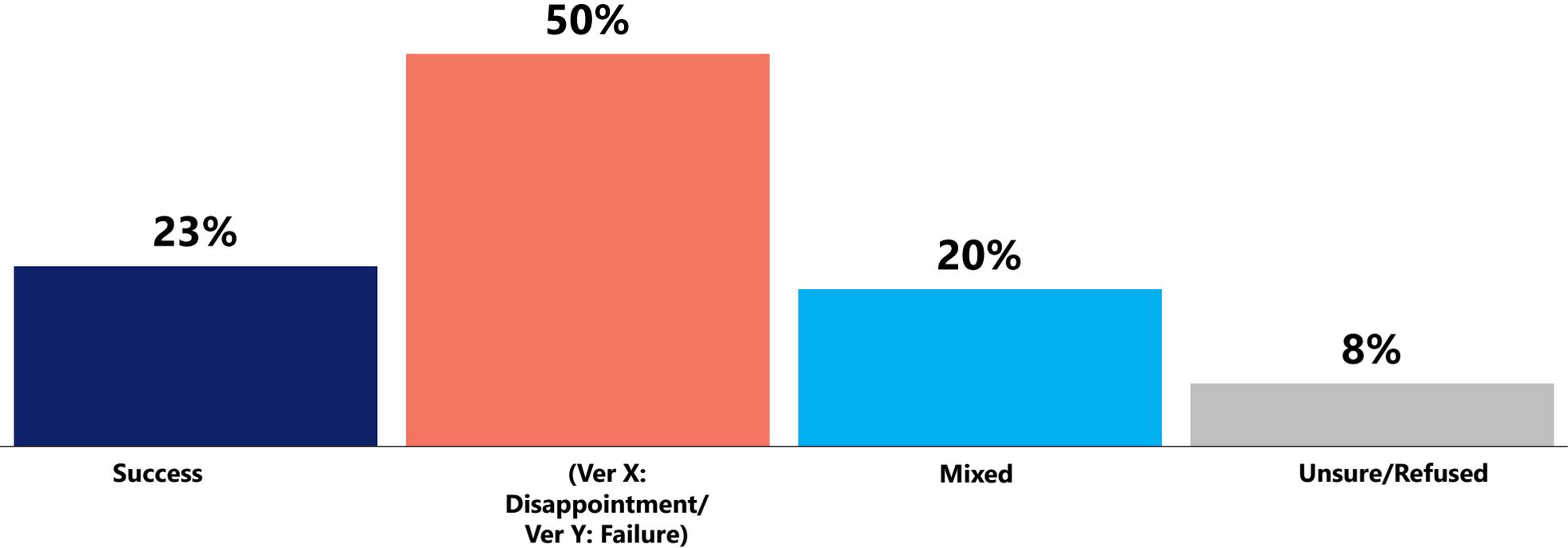
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**Ensuring More Students
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**Aligning Dual Credit
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In August 2021, voters were disappointed in the quality of online learning during the pandemic.



Do you think (Ver A: virtual education / Ver B: online learning) during the pandemic has been a success or a (Ver X: disappointment / Ver Y: failure) for Texas students?

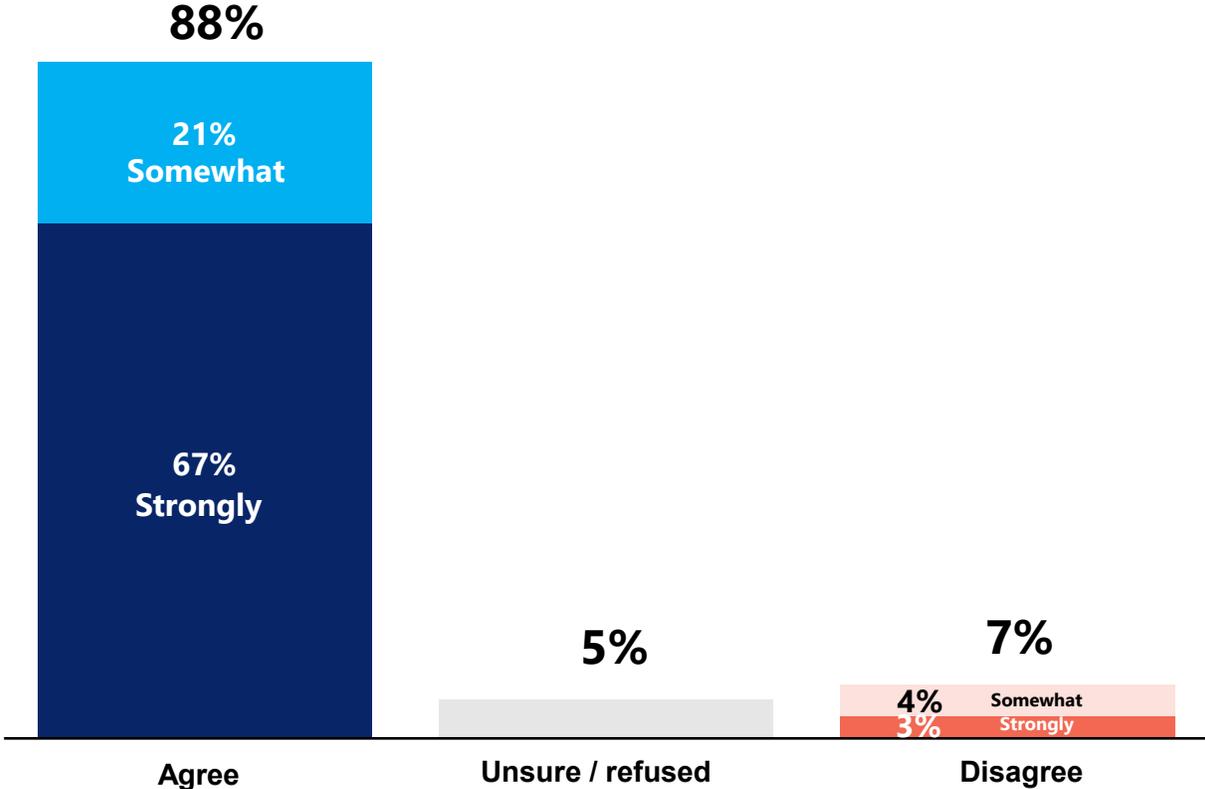
Texas 2036 Voter Poll, August 24-29, 2021, N=1,001 respondents, margin of error = + 3.1%

However, There Is Widespread Voter Support For Leveraging Technology To Ensure All Students Have Access To Rigorous Coursework.

Many rural schools do not offer access to advanced coursework, including 8th grade Algebra and high school AP courses.

Without these courses, students can face obstacles to reaching their full potential in math and science.

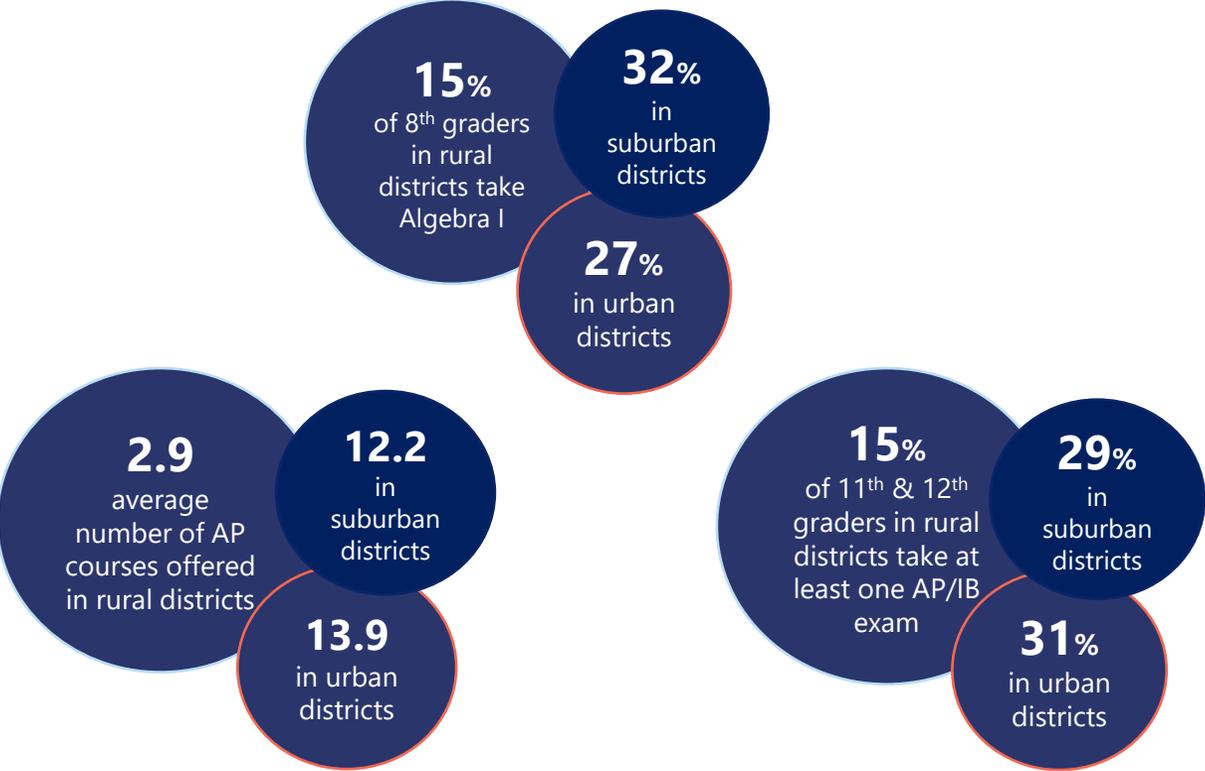
Using the recent investments in online learning, do you agree or disagree that all students – regardless of where they live – should have the option to take courses online offered by other school districts when those courses are not offered at their school?



Texas 2036 Voter Poll, August 24-29, 2021, N=1,001 respondents, margin of error = + 3.1%

Rural Students Face Gaps in Access to Rigorous Coursework

Problem



Solution

Virtual education provides the opportunity to expand rigorous course offerings to all students no matter where they live.

Evaluate the financial and regulatory barriers that prevent students being able to take courses offered online or in another district.

Source: TEA PEIMS, TAPR, Course Enrollments, District data; NCES urbanicity categories

Three-Pronged Approach Cont.

1

**Better Prepare Students
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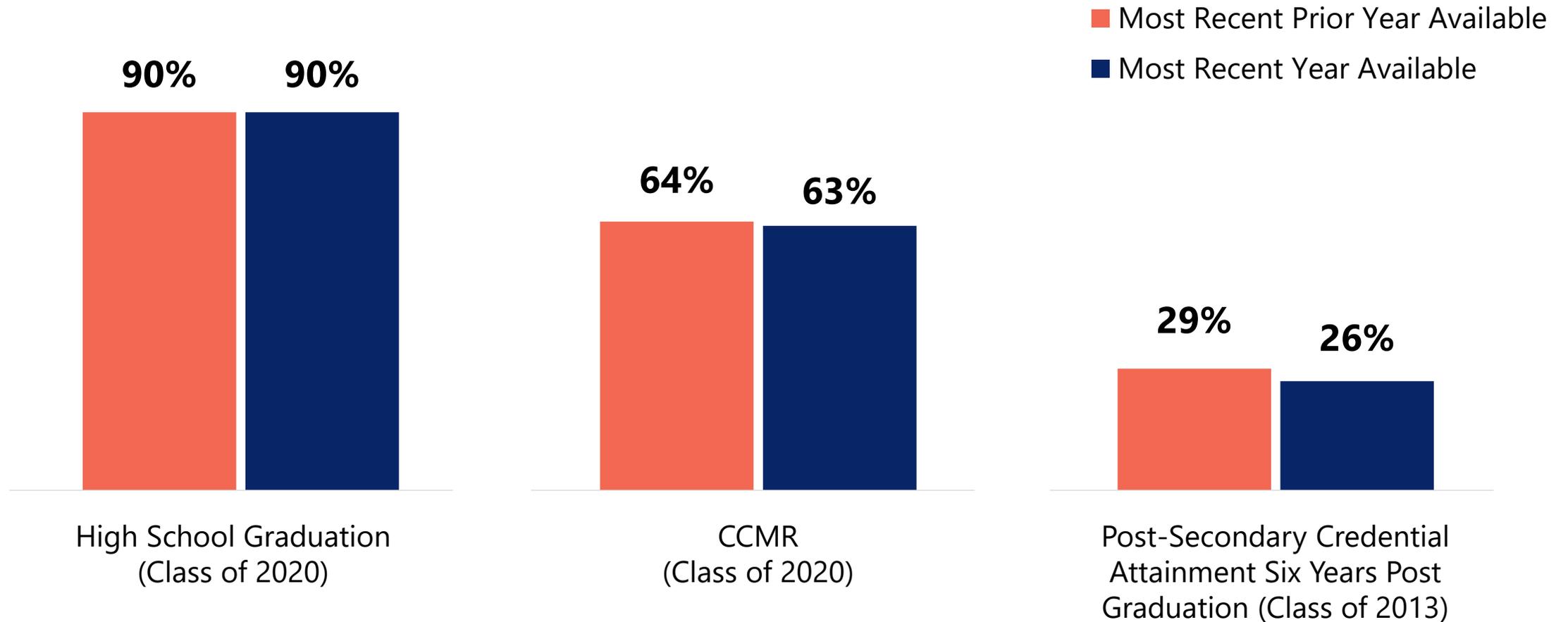
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The Education to Workforce Pipeline Has Leaks



Source: TEA Annual Report (2021)

Percent Of The Population With A Postsecondary Credential



Texas ranks last among peers in postsecondary credentials.

Note: Indicator is percent of Texans age 25-64 with a postsecondary credential
Source: Lumina Foundation, 2019

Are Students Getting Workforce Credentials In High School?

Total Graduates in 2021: 359,334

of high school students graduating with a community college degree

7,725

~2%
of graduates

of high school students graduating with a workforce credential

47,438

from IBC list

13%
of graduates

2,457

Level I or II Certificate

1%
of graduates



Solution

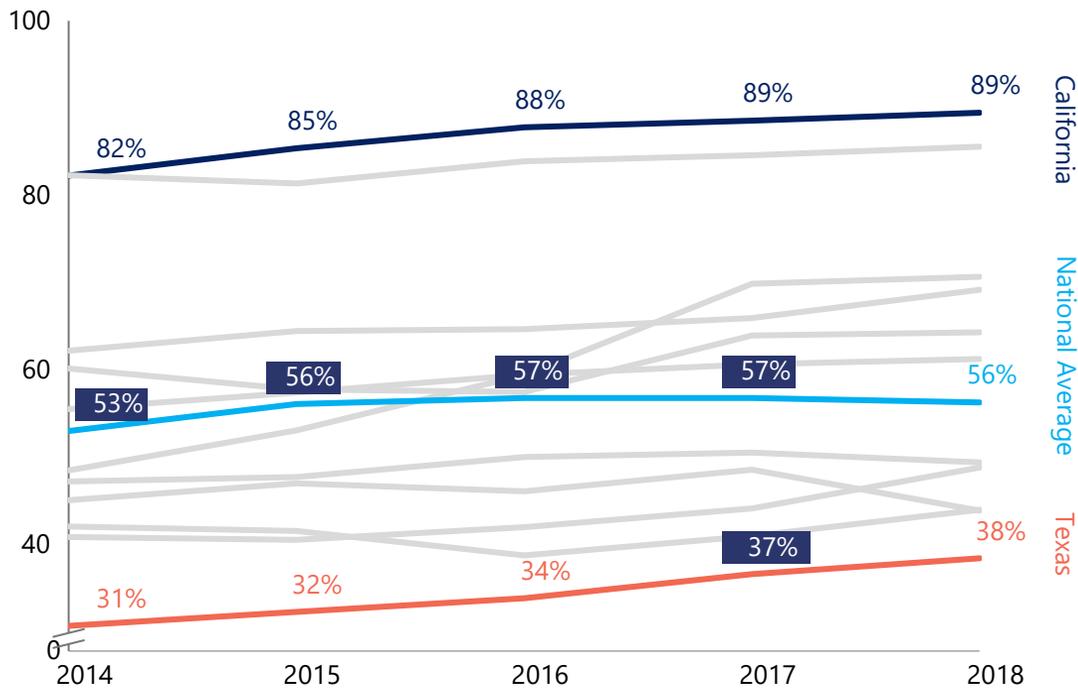
The state should work to dramatically increase the number of students graduating high school with a workforce credential of value.

Virtual education provides the opportunity to expand access to workforce credentials.

Source: TAPR

Perkins Outcomes: Texas ranks lowest in tracked credentials, certificates, or degrees completion rates, when compared amongst peer states

Texas had the lowest rate of CTE concentrators receiving industry-recognized credentials among peer states.



Source: [Perkin IV Data Explorer](#)

Texas sets the lowest targets among peer states while other states set higher targets and surpass them by a high margin.

State	2018 Performance	
	Target	Actual
California	88.0%	89.5%
Pennsylvania	75.0%	85.6%
North Carolina	56.0%	70.7%
Illinois	62.2%	69.2%
Colorado	59.0%	64.3%
Georgia	48.0%	61.3%
Florida	49.5%	49.4%
Ohio	42.0%	48.8%
Virginia	41.8%	44.0%
New York	50.8%	43.9%
Texas	35.0%	38.4%
National Average		56.3%

It is a Critical Time to Explore New Career Pathways

Short-Term Credentials

Quick programs, typically less than a year

Skills-based, industry-recognized, and/or employer-aligned

Can be for-credit or not-for-credit

Credentials of Value

Google IT Support Professional

Alamo College: \$179 total
Time: 6 months (10hr/week)



Computer User Support Specialist

Entry wage = \$31,700
Median wage = \$47,459

CompTIA A+ and Network+ Certifications

Austin CC: \$966 total
Time: 6 months (8hr/week)

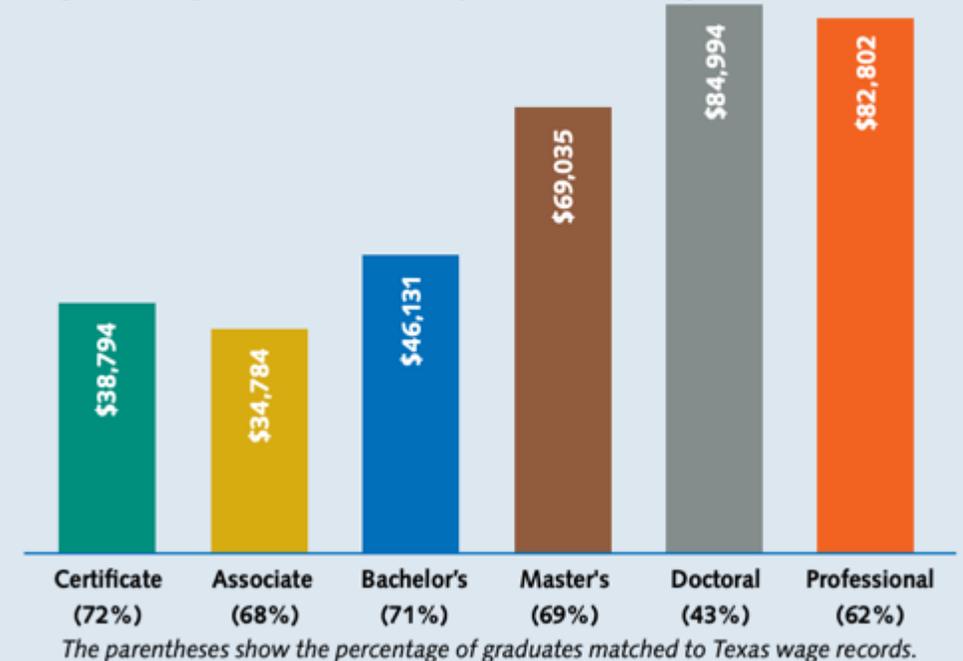


Computer Network Support Specialist

Entry wage = \$46,517
Median wage = \$70,948

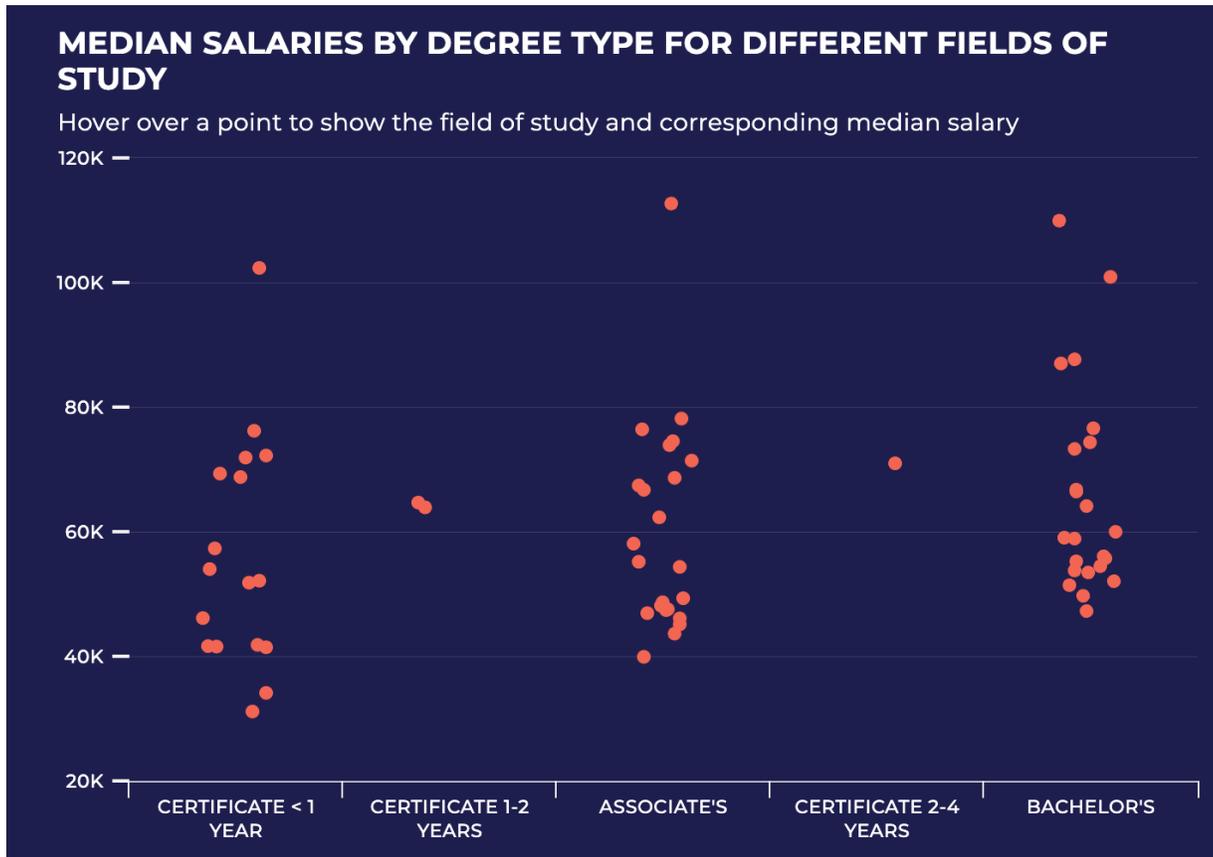
First-Year Earnings of 2018 Graduates

Highest degree earned, first-year actual wage

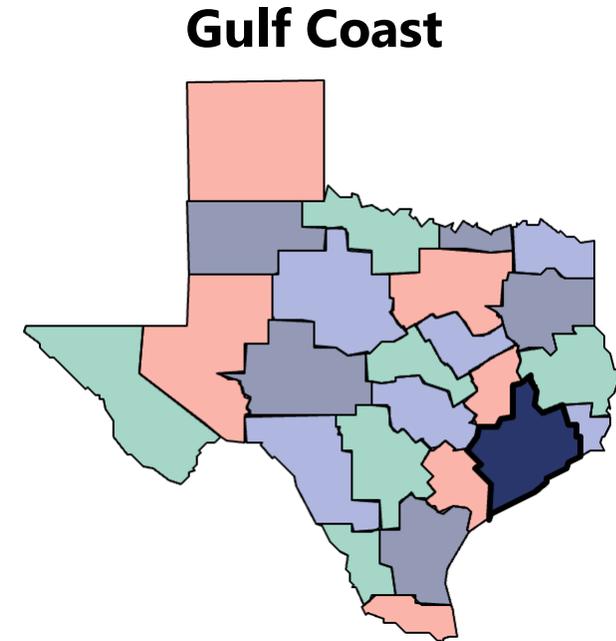


Source: Texas Labor Market Information; Texas Higher Education Almanac, 2021

Workforce Credentials Can Lead to Self-Sufficient Wages

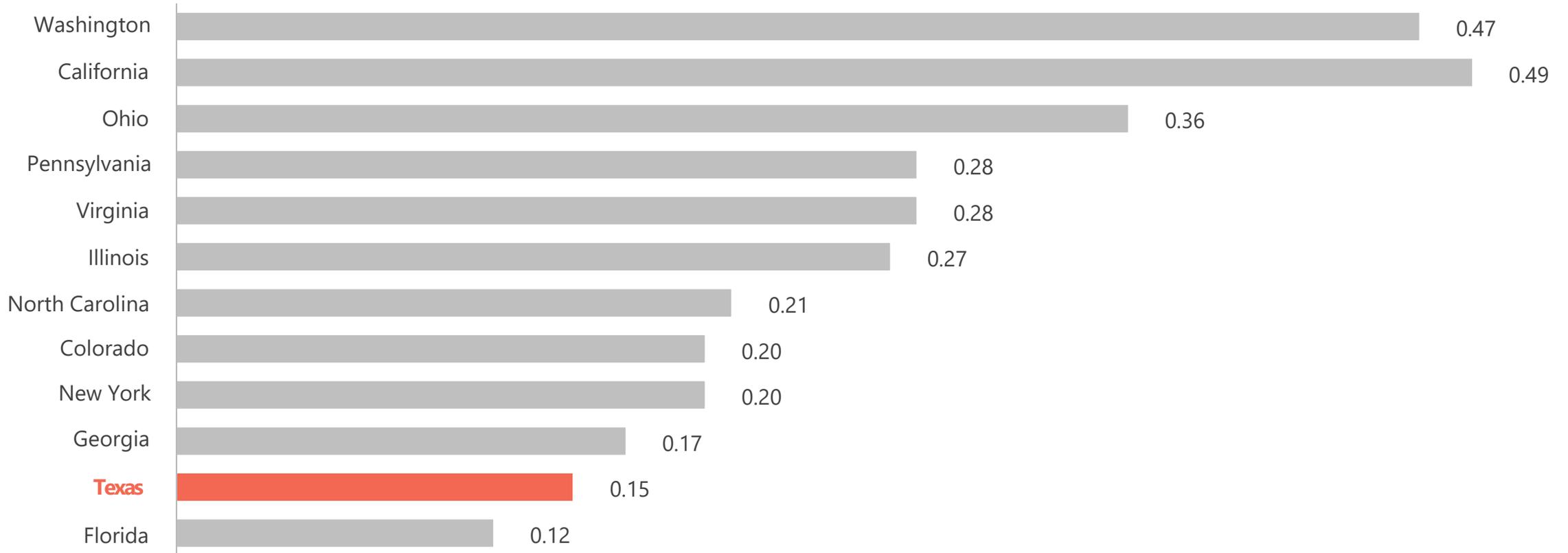


Source: Aim Hire Texas Regional Workforce Data Tool



Countries in Gulf Coast WDA:
Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, Wharton

Apprenticeship % Of Total Workforce



Indiana, California, & Washington have over 3x Texas' rate of apprentices in their workforce.

Texas lags in offering **apprenticeships**, a method of skills development valued by employers.

Source: U.S. Department of Labor, Registered Apprenticeship National Results Data Extract, Fiscal Year 2019

Rethinking Senior Year

Sec. 28.0255. PILOT PROGRAM: THREE-YEAR HIGH SCHOOL DIPLOMA PLAN.

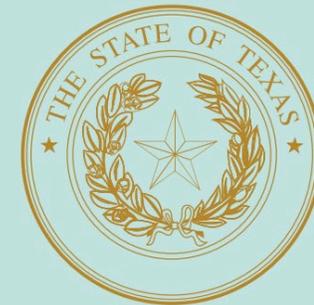
(c) A School district to which this section applies may develop and implement a pilot program for students who wish to obtain a high school diploma after completion of three years of secondary school attendance as an alternative to the traditional four-year period of attendance. The program must include partnerships between the school district and public junior colleges, public technical institutes, public state colleges, and any other public postsecondary institutions in this state offering academic or technical education or vocational training under a certificate program or an association degree program to facilitate the prompt enrollment of students in those institutions after high school graduation under the program.

Texas Commission on Public School Finance

Funding for Impact: Equitable Funding for
Students Who Need It the Most

Final Report

December 31, 2018



Rethinking the School Day

Problem

The current school day is often not conducive to work-based learning opportunities that require student participation during school hours.

Solution

Virtual education can allow for more flexibility in the school calendar giving students the opportunity to pursue work-based learning during the school day.

Options like self-paced and competency-based learning can ensure academic rigor while expanding work-based learning opportunities.



Promote a Culture of Innovation

Innovation should be the rule, not the exception. We must ensure that innovation is not obstructed by regulatory barriers. Providers and practitioners have identified various issues across regulatory systems that restrict innovation and should be evaluated.

For example, a virtual provider could offer high-quality online computer science courses to campuses that do not have a computer science teacher, but, if the teacher of record is not in person, the district does not receive CTE funding for the virtually proctored course as they would if the course was taught in person.



Robust Accountability Enables Innovation

Innovation should be data-driven.

We have strong accountability systems in place to ensure failure is identified and corrected. With those important guardrails maintained and improved data and research, we will know what works.

Data-Driven Innovation

- 1 Robust Assessment & Accountability Systems** → **Maintain STAAR and A-F** to empower families to make informed program choices
- 2 Improved Data Collection & Research** → **Differentiate Online** coursework in PEIMS data to quantify program outcomes
- 3 Pilot Programs to Jumpstart Innovation** → **With Data and Transparency,** successful programs can be studied and replicated



3-Pronged Approach

1

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2

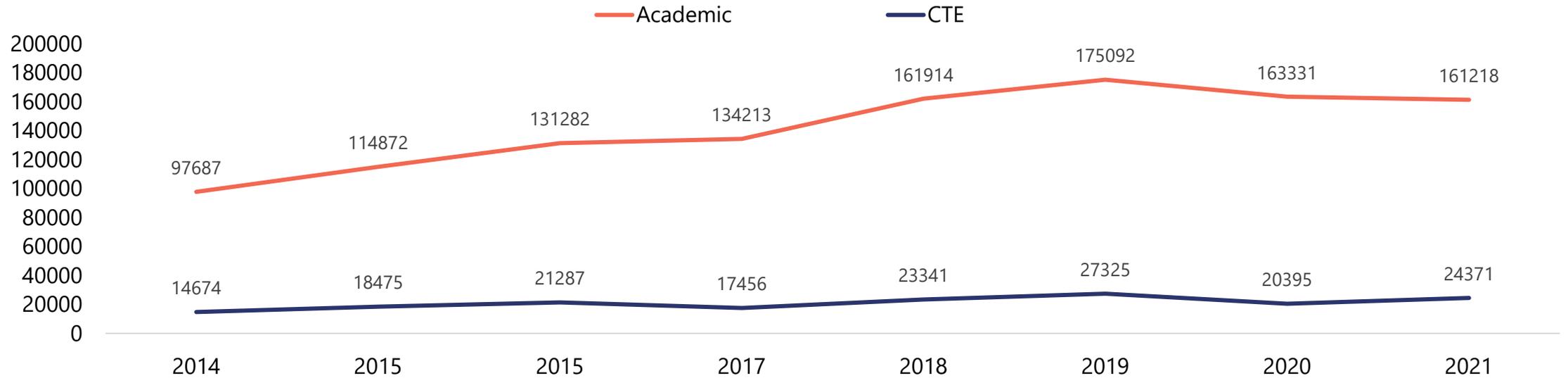
**Ensuring More Students
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**Aligning Dual Credit
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Problem

Growth in Dual Credit: Academic vs. Technical



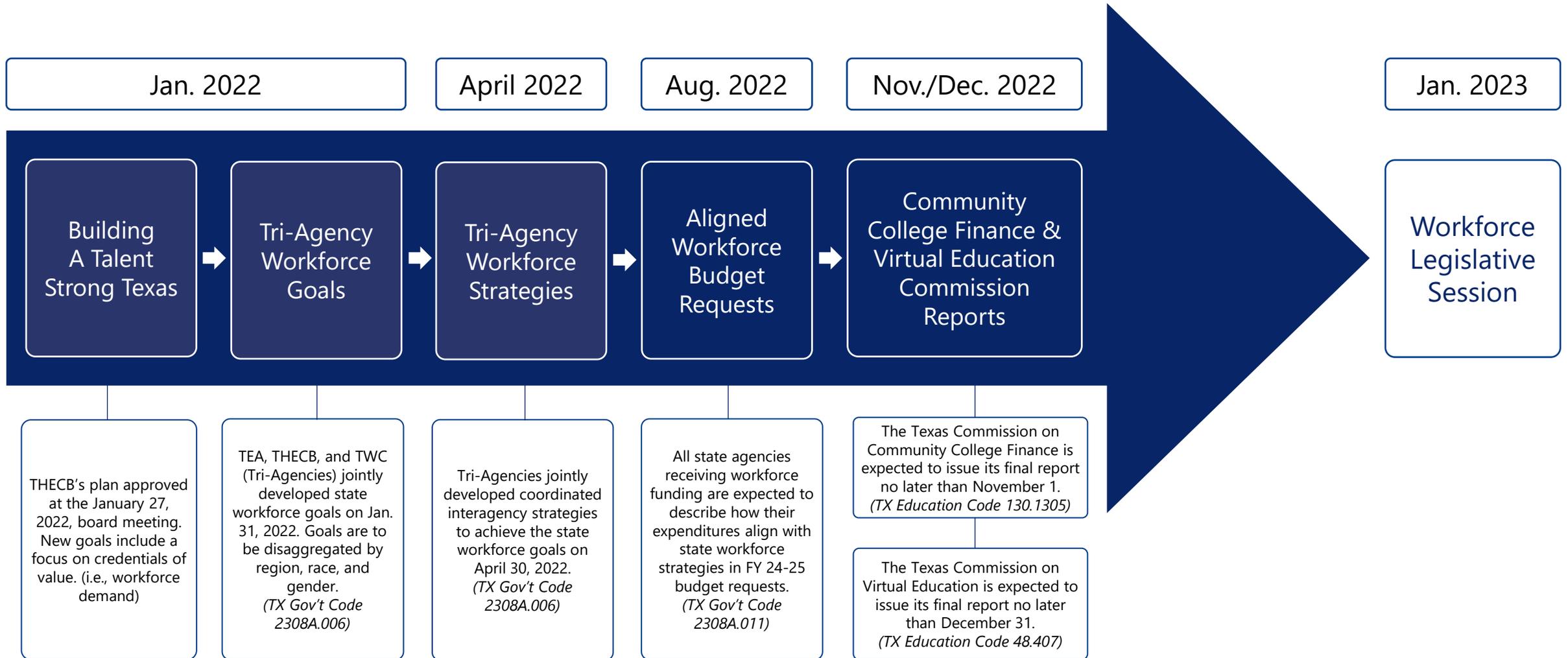
Solution

The inability to hire teachers for CTE courses is often cited as a barrier to offering these courses.

Virtual education provides the opportunity to increase access to CTE dual credit.

Regulatory barriers that limit the ability of campuses to expand course offerings to meet the needs of their students and communities should be reviewed and removed.

Pathway to Aligned Workforce Reforms in 2023



Thank You!

John Hryhorchuk

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