

Proposed Agenda to Cover

1. What **primary goal** might we suggest our various education and workforce systems align behind and incentivize...AND our state budget to fund?
2. What are our state's current post-secondary and living wage **outcomes** and how do we rank nationally?
3. What **recent steps** did the 2018 Texas Public School Finance Commission and the 2019 and 2021 Legislatures take to begin to address this goal?
4. What are the insights re: **our systemic challenges** as gleaned from the data and the experiences of people in the field?
5. What **Dallas County actions** have its partners taken to address some of these challenges in Dallas County and across Texas?
6. What are some **key areas** that we would encourage the Commission to consider exploring further and recommend potential solutions to address?

Brief Overview of The Commit Partnership

Who Are We?

- **Educational “backbone” organization** focused on using data insights to improve post-secondary credential and living wage attainment for all Texans.
- **Founded in 2011** and based in North Texas; philanthropically funded; partners (such as school districts and higher ed partners) have historically received our support at no charge.
- Focused on (i) **capacity building**; (ii) **alignment of actions, incentives and funding**; (iii) **removing barriers via policy**...all in service to grow outcomes.
- **60+ FTE’s** including **analytical staff of 12 professionals** focused on gleaning insights from robust data to help improve and align decision-making toward achievement of goals
- 6 FTE’s focused on **automation of student data in numerous regions statewide** to help K-12 and higher ed case manage FAFSA completion, college applications and enrollment process
- Work directly with three K-12 networks educating >30% of TX students:
 - **Dallas County ISD’s** (educates 10% of Texas students)
 - **Texas Impact Network** (JV with EducateTX) focused on effective implementation of key HB3 funding streams including college and career success funding
 - **Texas Urban Council** (10 flagship urban districts educating 15% of Texas enrollment)
- Supporting **seven regional urban and rural regional talent collaborations** between K-12 and higher education partners

What Primary Outcome Do We Want Our Various Systems to Align Behind and Incentivize AND our State Budget to Fund?

Potential Primary Goal:

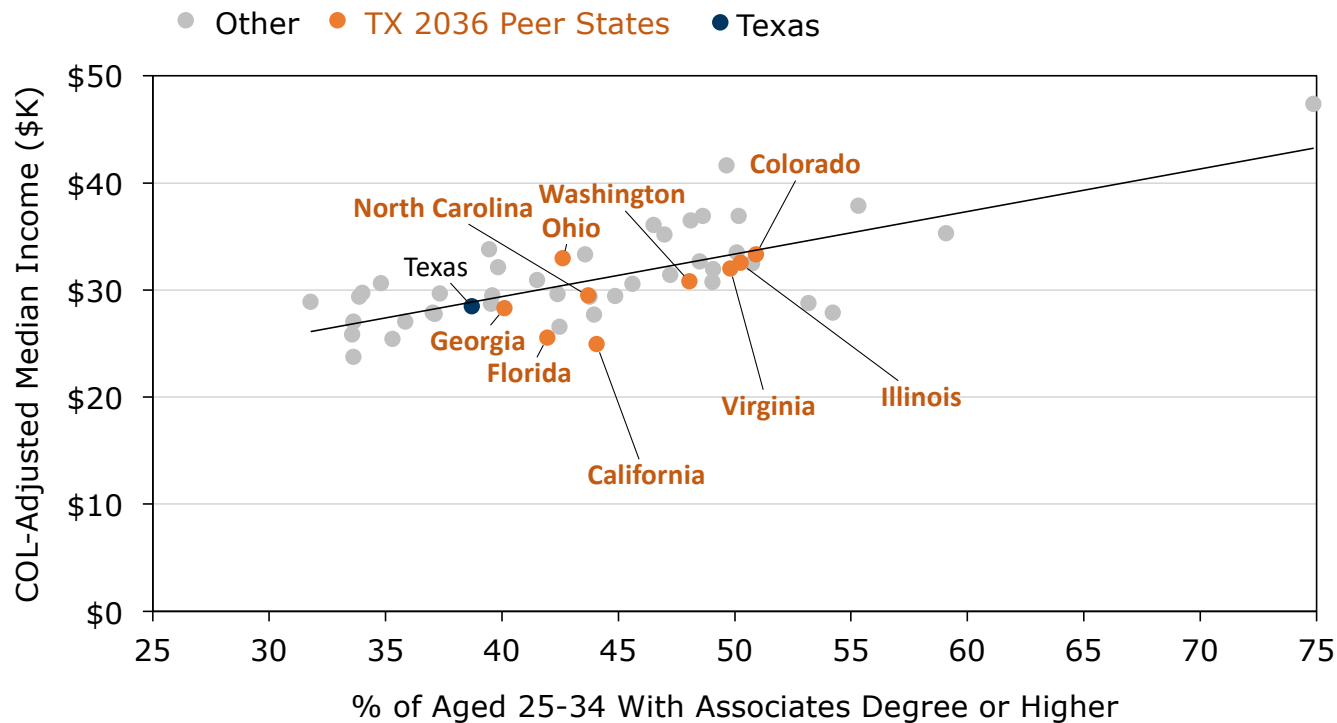
Preparing at least 60% of all Texas students to achieve a post-secondary credential aligned with a high-demand job that pays a sustainable living wage with no gaps attributable to income, race or place.

Current Outcomes

Median Income vs. Associate Degree or Higher Attainment

Texas Trails Most Peer States in Post-Secondary Attainment as Well as Median Income (Cost of Living Adjusted), Ranking at the Top of the Nation's Bottom Quartile

Income and educational attainment of residents aged 25 to 34 (2019)



Texas trails the national average for educational attainment by 5pp and median income by ~\$2,600.

	Texas (U.S. Rank)	National Average
Educational Attainment	39% (39th)	44%
Median Income	\$28,415 (38th)	\$31,060

Source: U.S. Census, American Communities Survey 5-year estimates (2019), Public Use Microdata Sample (PUMS) data. Income estimates are adjusted based on Regional Price Parity developed by the Bureau of Economic Analysis. Texas 2036 identifies several peer states based on population and competitiveness for talent and corporations. For more information, please visit their website at: <https://framework.texas2036.org/about/peer-states/>.

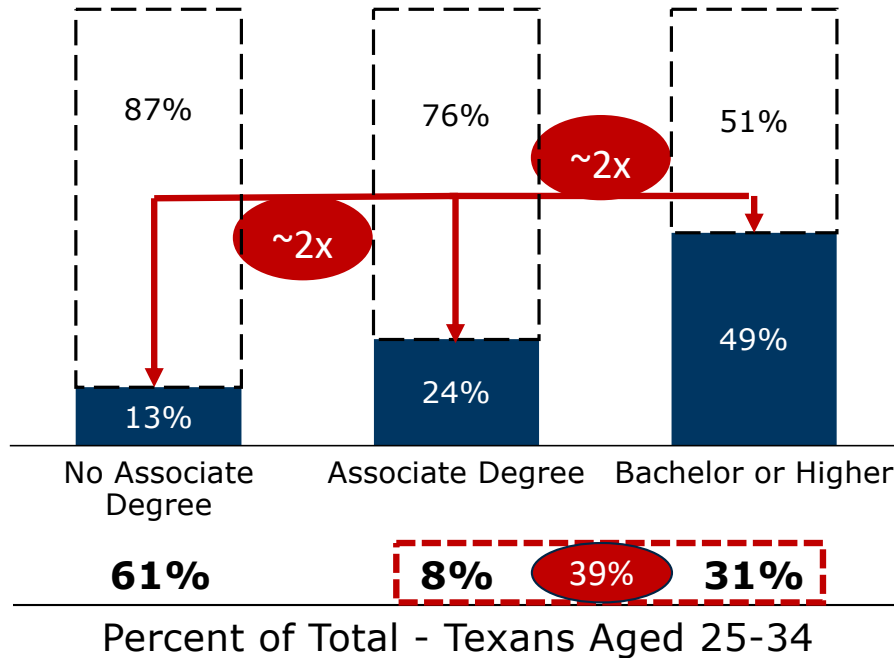
Current Outcomes

Students With an Associate Degree are Roughly Twice as Likely (24% vs. 13%) to Earn a Self-Sustaining Wage of at Least \$50,000 (vs. Those Without)

Comparing Educational Attainment to Attainment of \$50,000, 2019 ACS for Texas

Insights

□ Does Not Earn More than \$50,000 ■ Earns More than \$50,000



- Overall:
 - Just **13%** of Texans aged 25-34 who do not obtain an associate degree or higher earn more than \$50,000 per year.
 - 24%** of Texans aged 25-34 who obtain an associate's degree earn more than \$50,000 per year.
 - 49%** of Texans aged 25-34 who obtain a bachelor's degree or higher earn more than \$50,000 per year.

Current Outcomes

Texas Represents 10% of All Young Adults in the U.S. without an Associate Degree at a Significant Opportunity Cost of \$56Bn in Annual Income

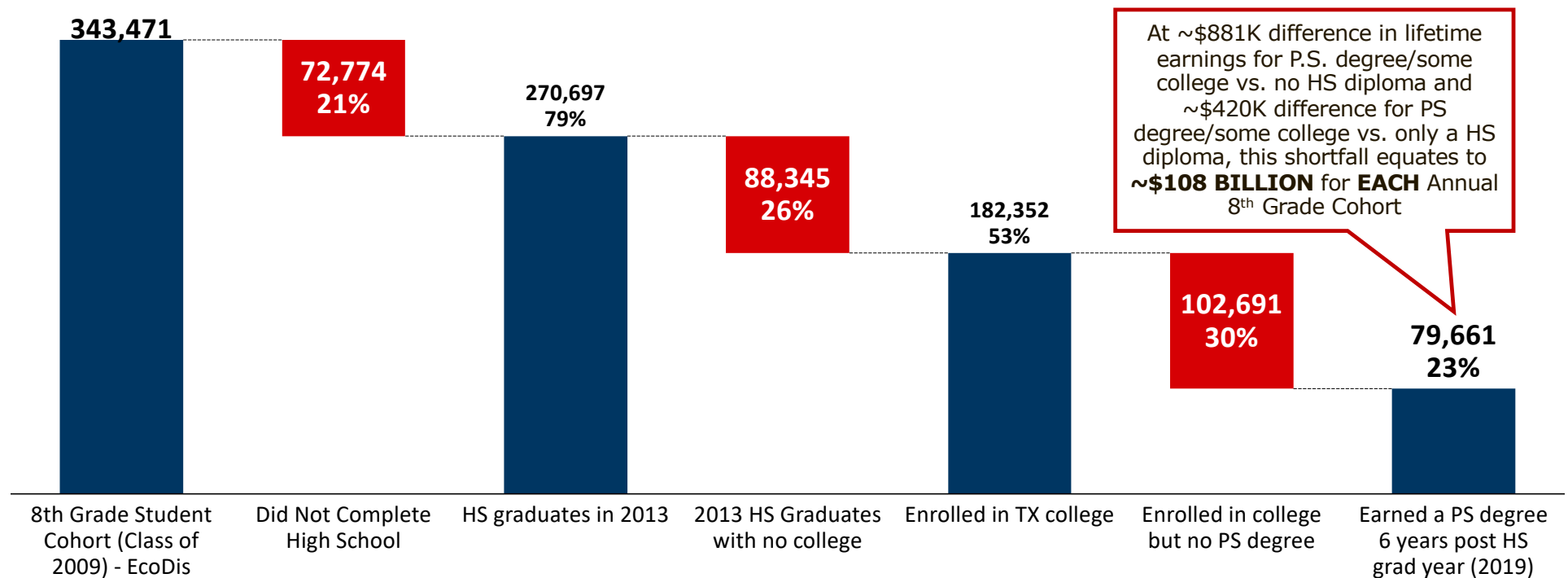
38% is the Blended Attainment Rate for Native Texans and Those Migrating In

State	% Ages 25-34 with Associates degree or above	Number of residents aged 25 to 34 w/o AA degree or above	% of Adults Ages 25-34 in U.S. w/o AA degree or above	Benefit to Avg. Median Income of AA Degree in State	Avg. \$ Benefit to Annual Median Income of AA Degree x No. of Residents w/o AA Degree Today (in billions)
California	43%	3,357,592	13%	\$22,565	\$75.7
Texas	38%	2,544,501	10%	\$22,110	\$56.3
Florida	41%	1,564,030	6%	\$14,688	\$22.9
New York	54%	1,325,341	5%	\$28,501	\$37.8
Illinois	50%	893,601	4%	\$23,311	\$20.8
Pennsylvania	48%	866,710	3%	\$21,733	\$18.8
Ohio	42%	864,778	3%	\$21,190	\$18.3
Georgia	39%	862,016	3%	\$20,717	\$17.9
North Carolina	43%	760,858	3%	\$18,371	\$14.0
Totals/Avg.	44%	13,039,427	50%	\$21,465	\$259.6

Current Outcomes

Where Do We Lose Students in Failing to Meet our 60x30 Goal?
*Only 23% of Texas' Most Recent **Total 8th Grade Cohort** Earned a TX PS Degree by Age of 24, Resulting in **\$108Bn in Foregone Lifetime Earnings** for that Cohort*

THECB 8th Grade Cohort Pipeline to a Degree or Certificate, 2008 8th Graders thru 2019

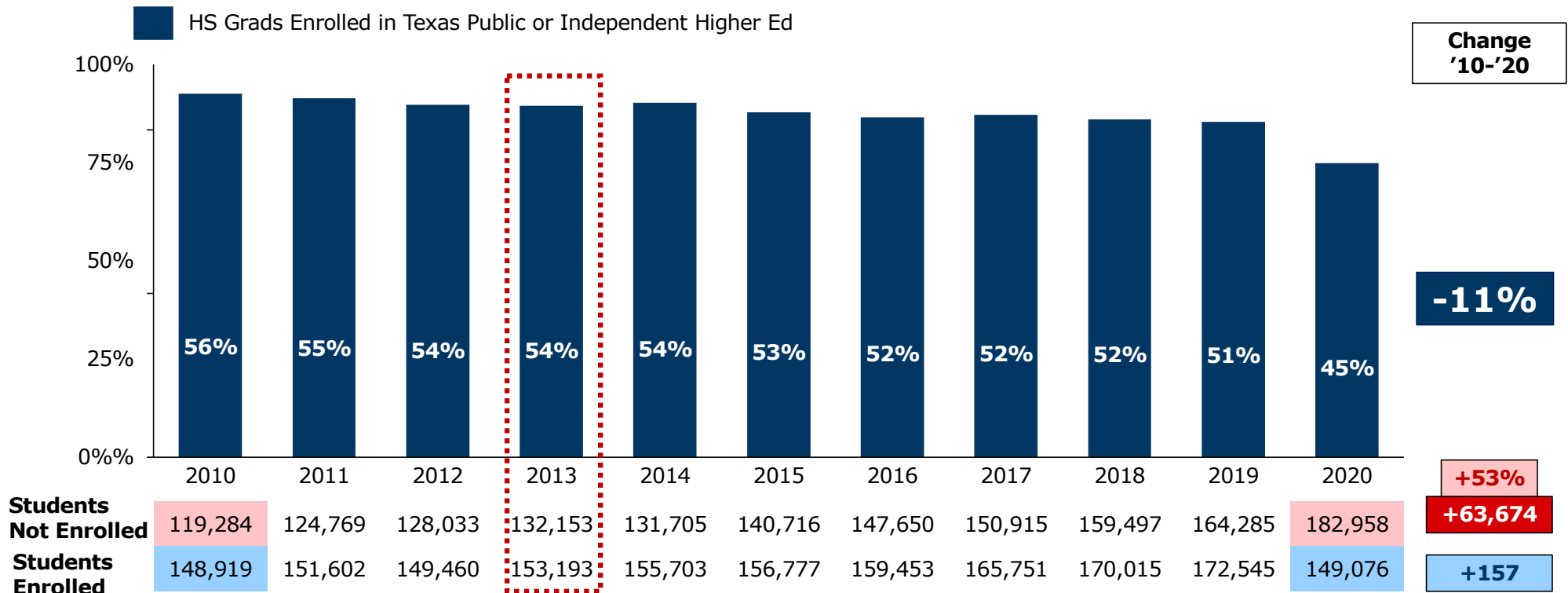


Source: THECB 2009 8th Grade Cohort information for Class of 2009 Outcomes for this cohort were tracked for 11 years, including the last year of middle school, four years of high school, and six years for higher education. Lifetime Earnings Calculation – Texas State Comptroller, difference in earnings from some college/associates degree. Difference in lifetime earnings from no high school degree is \$881,000 (17,620 * 50 years); difference in lifetime earnings from high school only is \$419,650 (\$8,393 * 50 years).

Current Outcomes

Enrollment Situation Has Continued to Worsen, Particularly in CC's
State Enrollment Fell 5% Over Last Decade Pre-COVID and Then Dropped Another 6% in 2020 Alone, Creating a 53% Increase in Non-Enrolling Students Since 2010

Statewide: HS Grads Who Enrolled in Texas Public or Independent Higher Ed¹ the Following Fall

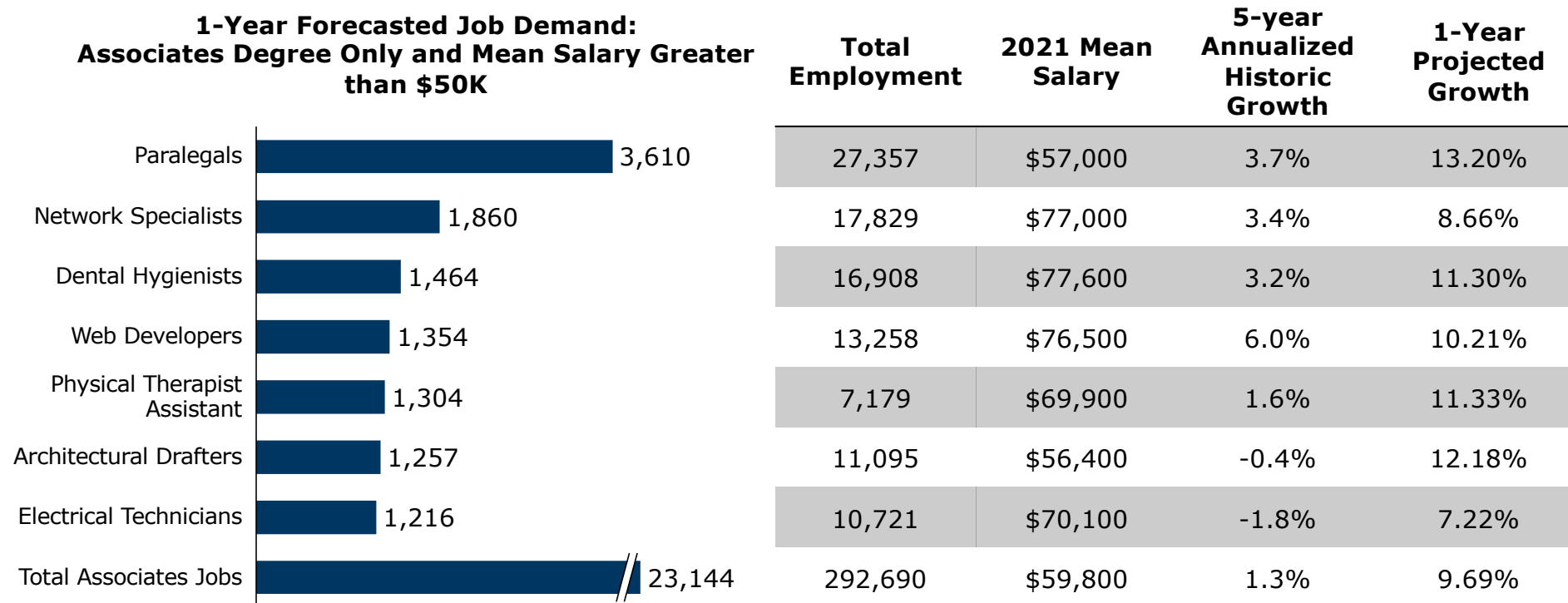


Source: THECB Enrolled Fall Following HS Graduation, 2010-2019.

Footnotes: 1) Higher Ed includes Texas public and independent 2- and 4-year institutions.

While High-Demand, High-Paying Jobs in Texas Require Post-Secondary Credentials, a Substantial Number Only Require an Associate Degree

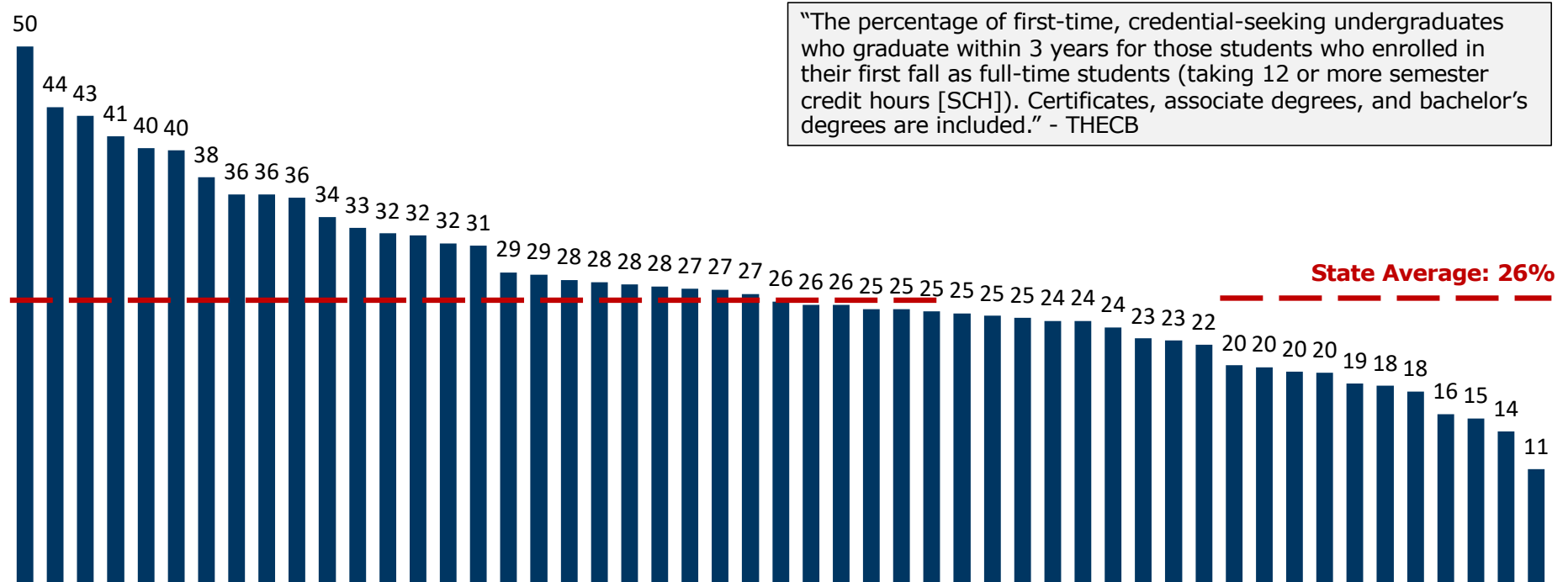
Forecasted Job Demand in Texas: Occupations, Mean Salary, and Growth



Source: Dallas College, Labor Market Intelligence Center

Statewide, 26% of Full-Time Students Graduate from Public 2-Year Colleges within 3 Years, But Individual Districts Vary Greatly

Full Time Graduation Rate (3-year)

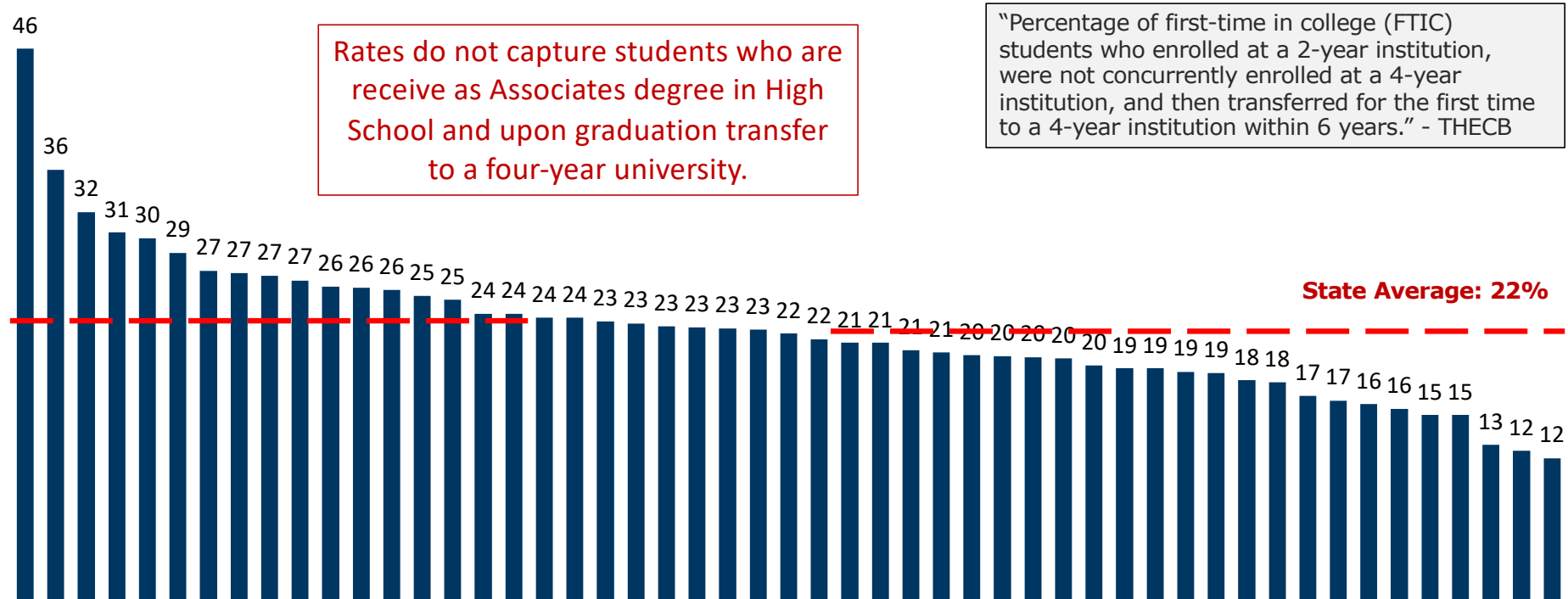


Source: THECB Accountability Report, 3-year Full Time Graduation Rate for Public 2-year Institutions. 2020 Almanac.

Our Challenges

Overall, 22% of Students in Texas Transfer to 4-Year Institutions, but Again the Percent Varies Significantly by Institution

Transfer Rate by Community College

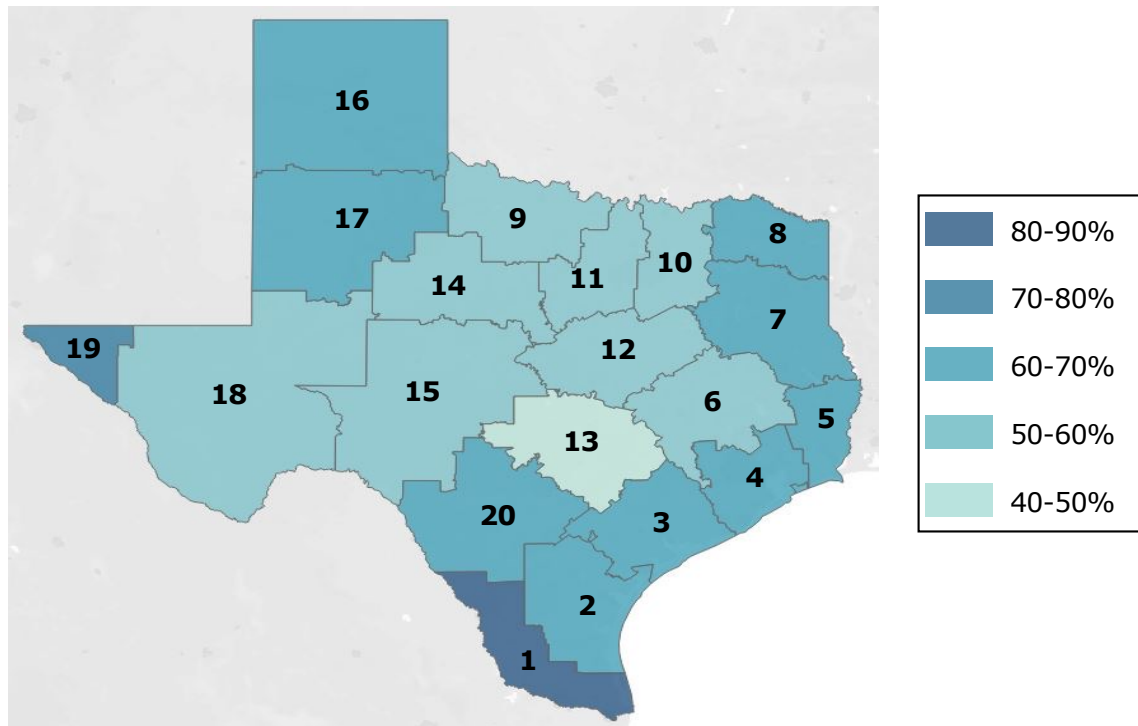


Source: THECB Accountability Report, Transfer Rate for Public 2-year Institutions. 2020 Almanac. TSTC = Texas State Technical College

Current Outcomes

Regardless of region or underlying economic disadvantage in K-12, our P.S. completion rates fall well below Texas' 60x30 goal with little variability

% Economically Disadvantaged by TEA Education Service Areas, 2019



Service Area (ID #)	% Low Income Students	6 Yr. College Completion % vs. our State's 60% Goal
Edinburg (1)	85%	28%
El Paso (19)	77%	24%
Corpus Christi (2)	67%	25%
Mount Pleasant (8)	66%	25%
Victoria (3)	65%	30%
Kilgore (7)	64%	27%
Lubbock (17)	63%	26%
Beaumont (5)	63%	27%
Houston (4)	61%	31%
San Antonio (20)	60%	27%
Amarillo (16)	60%	29%
San Angelo (15)	60%	27%
Wichita Falls (9)	60%	27%
Waco (12)	60%	28%
Richardson (10)	57%	27%
Abilene (14)	55%	27%
Huntsville (6)	53%	28%
Midland (18)	53%	27%
Fort Worth (11)	52%	29%
Austin (13)	48%	29%

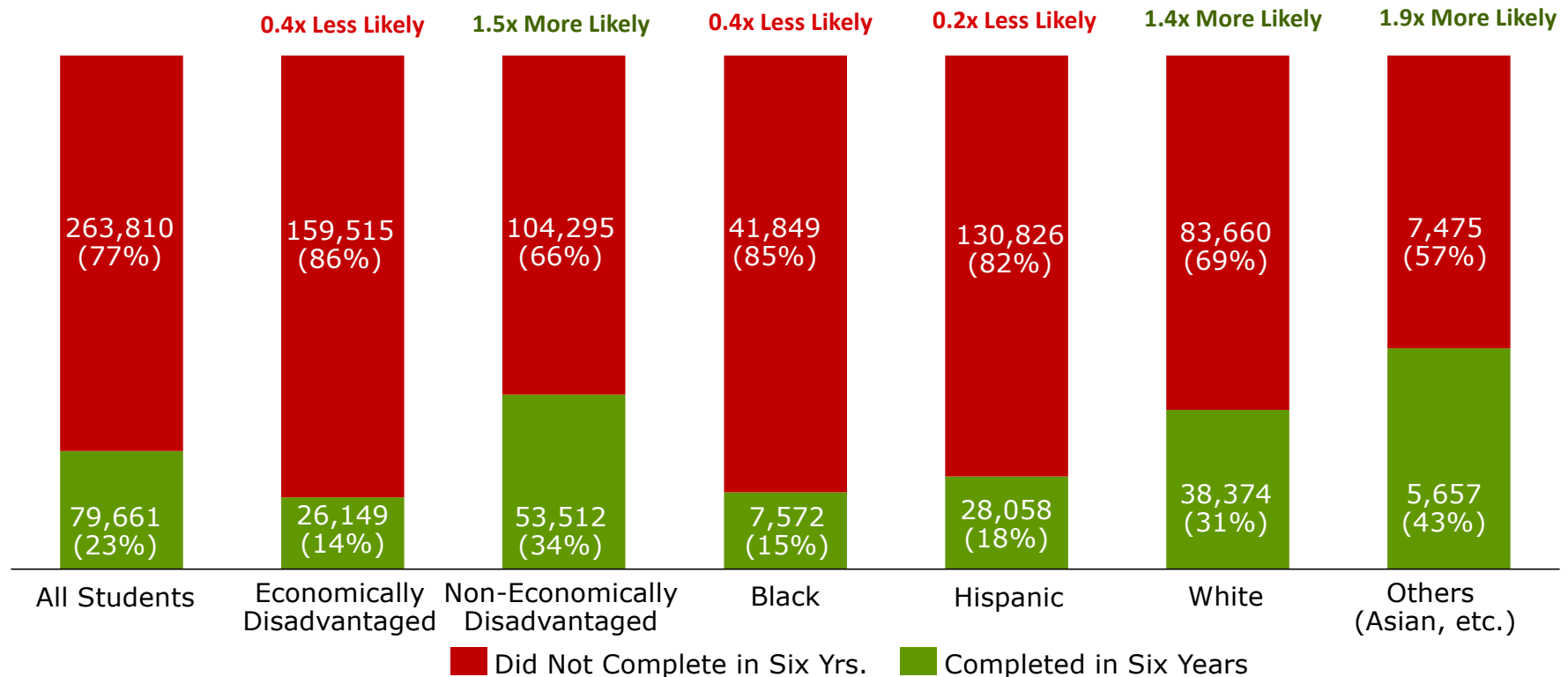
Source: TEA TAPR Report, 2019; College Completion: THECB Higher Ed Outcomes By Degree Granting Institution % of HS Grads who completed a degree/certification within 6 years of HS Graduation; THECB data based on combined 2008-2010 graduating HS classes, % of HS grads who earned a postsecondary degree/certification within 6 years of HS graduation



Less Than One in Four TX 8th Graders Are Completing P.S. Degree within 10 Yrs

Students Who Are Economically Disadvantaged, Black, and Hispanic Are Substantially Less Likely to Graduate with a Postsecondary Credential than their Peers

THECB 8th Grade Cohort Six Year Completion Rates, 2008 8th Graders thru 2019



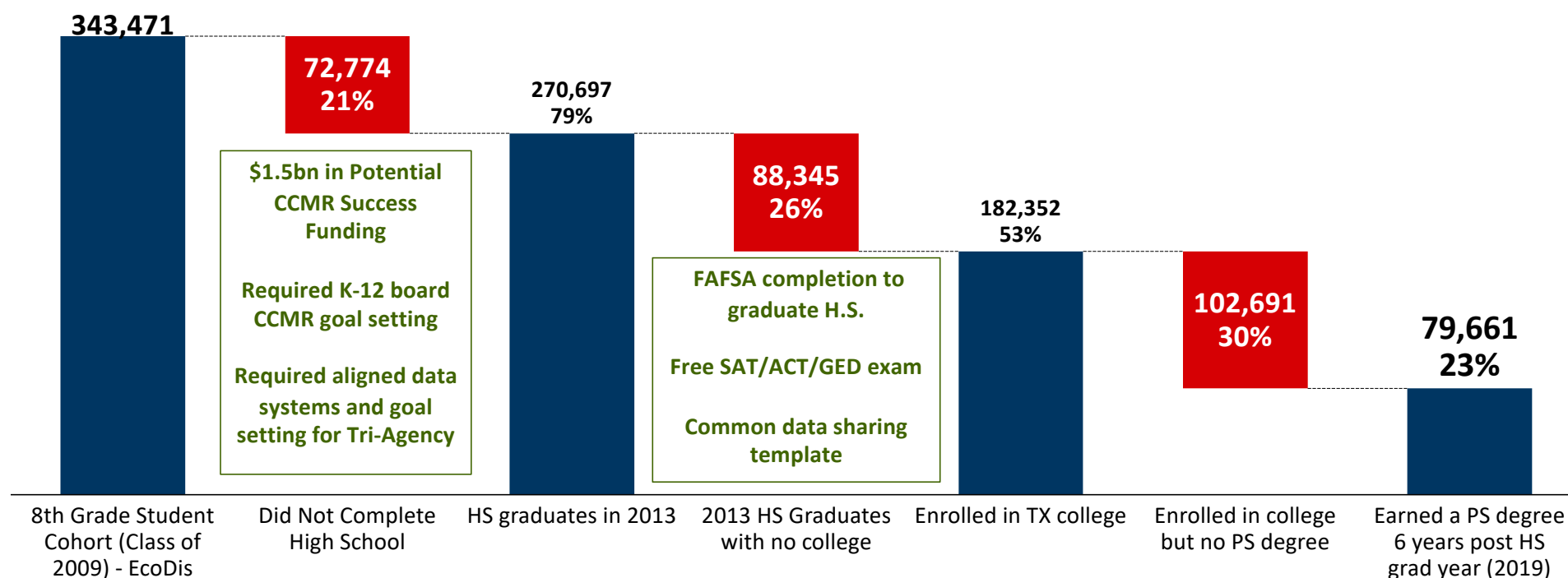
Source: THECB 2009 8th Grade Cohort information for Class of 2009 Outcomes for this cohort were tracked for 11 years, including the last year of middle school, four years of high school, and six years for higher education.

Recent Steps Taken

Beginning to Address our Areas of “Melt” Through Strategic Legislation

New Funding Incentives, Required Goal Setting, and Aligned Data Systems

THECB 8th Grade Cohort Pipeline to a Degree or Certificate, 2008 8th Graders thru 2019



Source: THECB 2009 8th Grade Cohort information for Class of 2009 Outcomes for this cohort were tracked for 11 years, including the last year of middle school, four years of high school, and six years for higher education. Lifetime Earnings Calculation – Texas State Comptroller, difference in earnings from some college/associates degree. Difference in lifetime earnings from no high school degree is \$881,000 (17,620 * 50 years); difference in lifetime earnings from high school only is \$419,650 (\$8,393 * 50 years).

Our Challenges



1. Demographic Wave

- Population growth rates vs. current P.S. completion rates



2. Declining In-Migration

- Talent educated elsewhere is reducing in its numbers



3. Vast Disparities in Funding

- Student supports/opportunities too often tied to where you live



4. Taxing Districts vs. Service Areas

- Costs of non-alignment borne by students, especially in rural settings



5. Poverty vs. Tuition

- Higher economic disadvantage often results in higher tuition



6. Dual Credit

- Inability to expand due to funding and teacher supply despite success impact



7. Success Point Structure

- Not tied to student challenges; insufficient to drive change



8. Lack of Regional Talent System

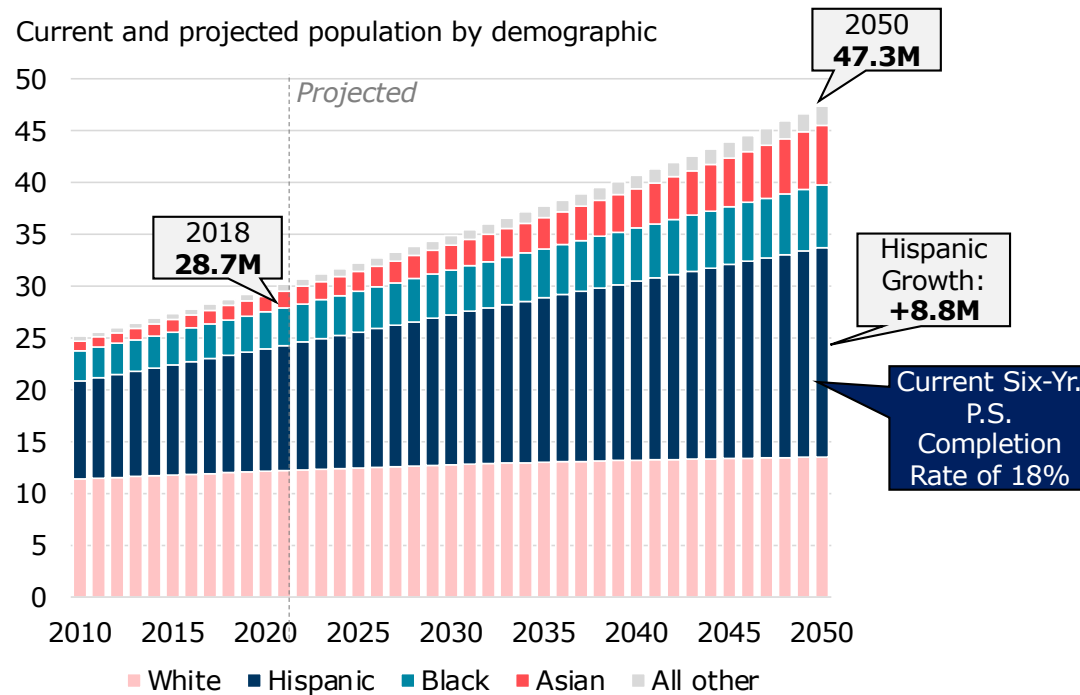
- Community accountability for outcomes via robust data systems does not exist, inhibiting re-engagement of learners ¹⁵

Our Challenges – Demographic Wave

With Texas population expected to grow 65% by 2050, credential attainment must be a priority to sustain state's job growth

Hispanics, Comprising 50%+ of State in 2050, Currently Reflect 18% Six-Yr. Completion Rate

Texas population expected to grow 65% by 2050



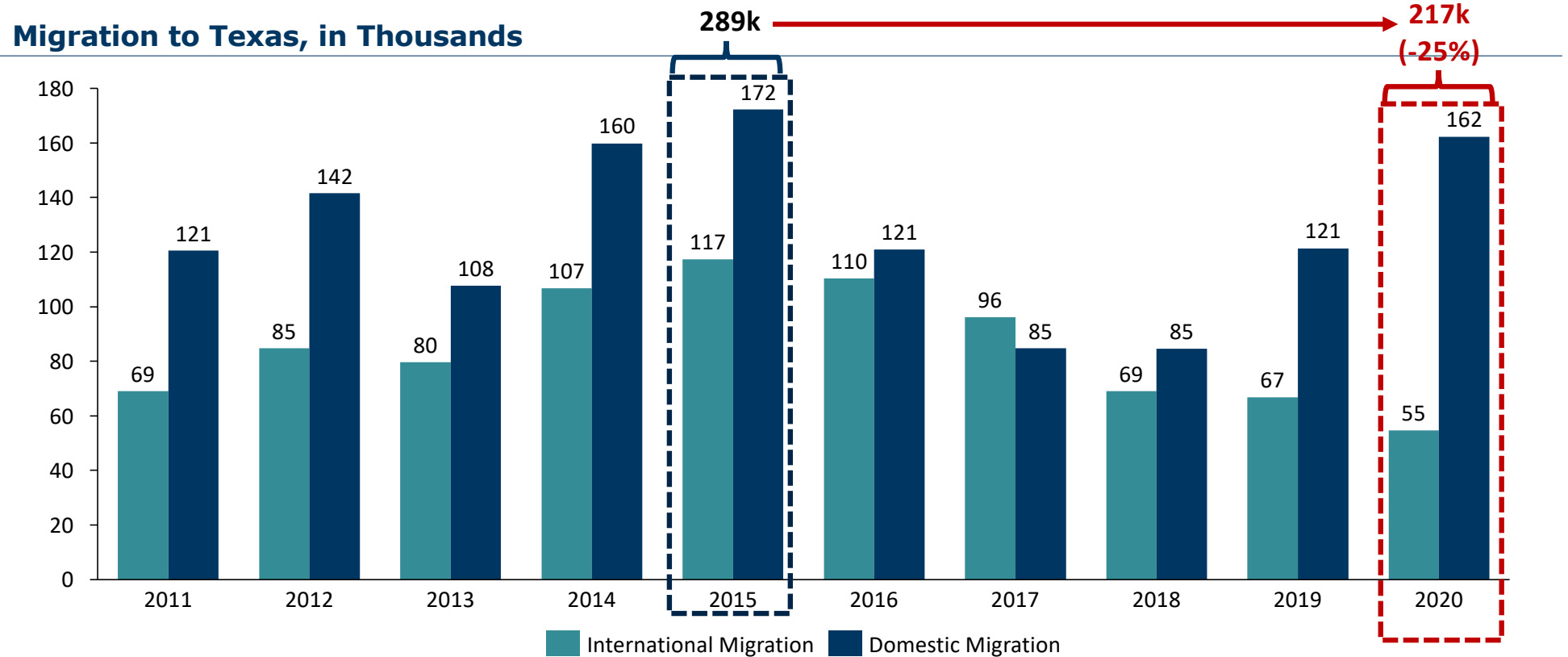
Insights

- With 43% of the population today, **Hispanic Texans will comprise a plurality of Texas' population** by 2050.
- Hispanics are projected to grow by 8.8 million by 2050, **an amount larger than DFW's entire 2020 population.**
- From 2007 to 2017, **79% of Texas' K-12 growth came from economically disadvantaged students.**
- Future economic growth in Texas will depend on credential attainment for both Hispanic Texans and low-income Texans.

Our Challenges – Declining Migration

Texas Must Rely Less on In-Migration of Talent Educated Elsewhere

Total in-migration peaked in 2015 at 289k; domestic in-migration has recovered while international migration continues to decline, netting to 25% overall drop



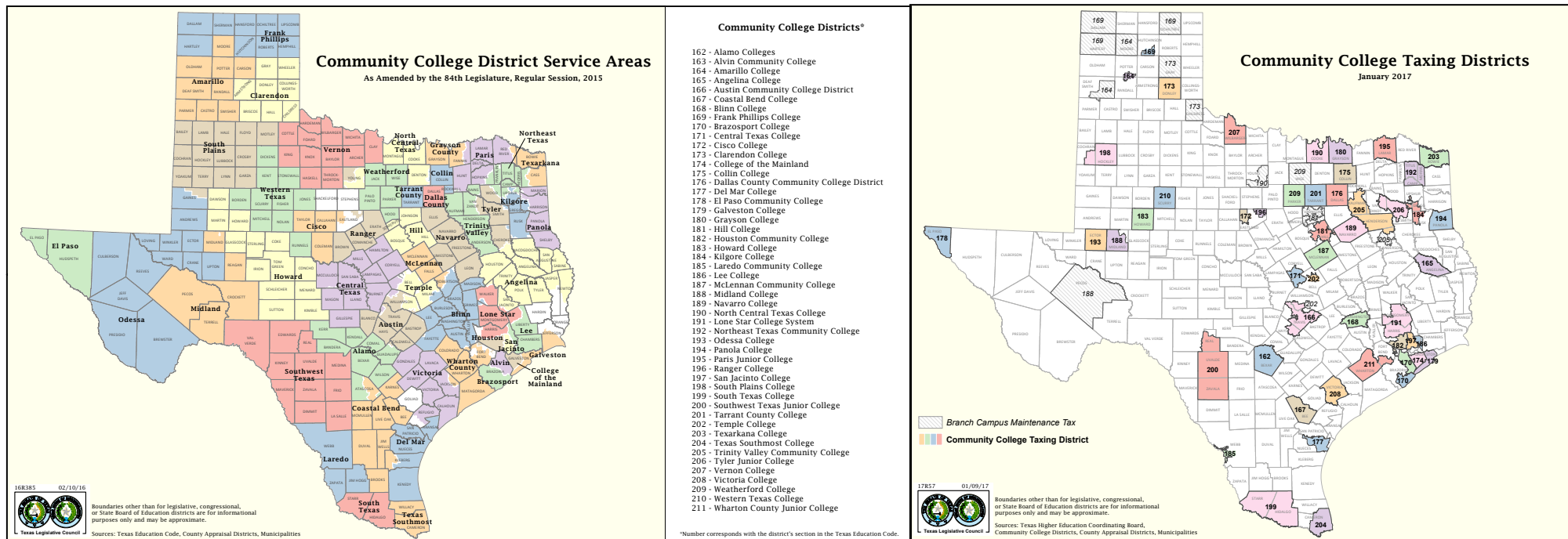
Source: U.S. Census Bureau, Annual Population Estimates and Estimated Components of Resident Population Change

Our Challenges – Taxing Districts

Significant Portions of CC Service Areas Are NOT Part of Taxing Districts, Resulting in Students Being Required to Pay Higher Out-of-District Tuition

Problem Most Acute in Rural Areas; How Can State Incentivize Non-Taxed Areas to Participate?

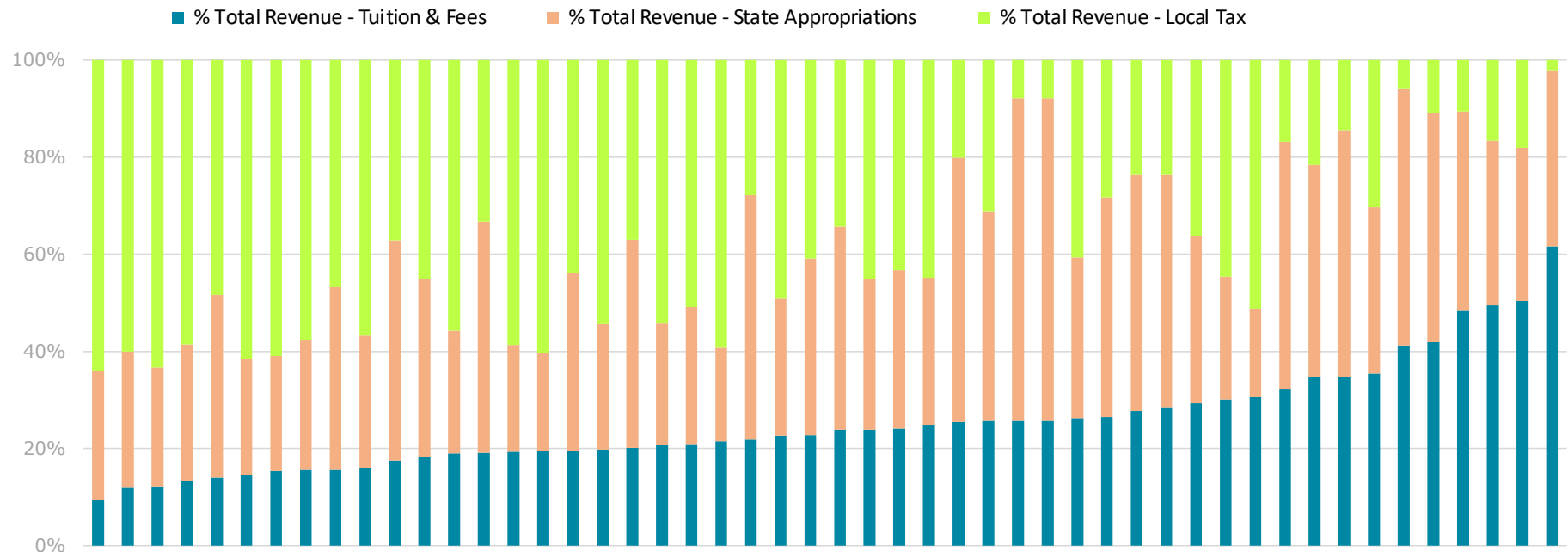
73% of Students at “Very Large” Community Colleges Are Within Taxing District vs. Only 25% of Students at “Small” Colleges



Our Challenges – Poverty vs. Tuition

As Local Property Tax Declines as % of Total Revenue, Student Tuition & Fees Tend to Fill in the Gap *Student Tuition and Fees Range From 10% to 61% of Total Revenue*

Community Colleges Revenue for FY '18 Broken Down by Source

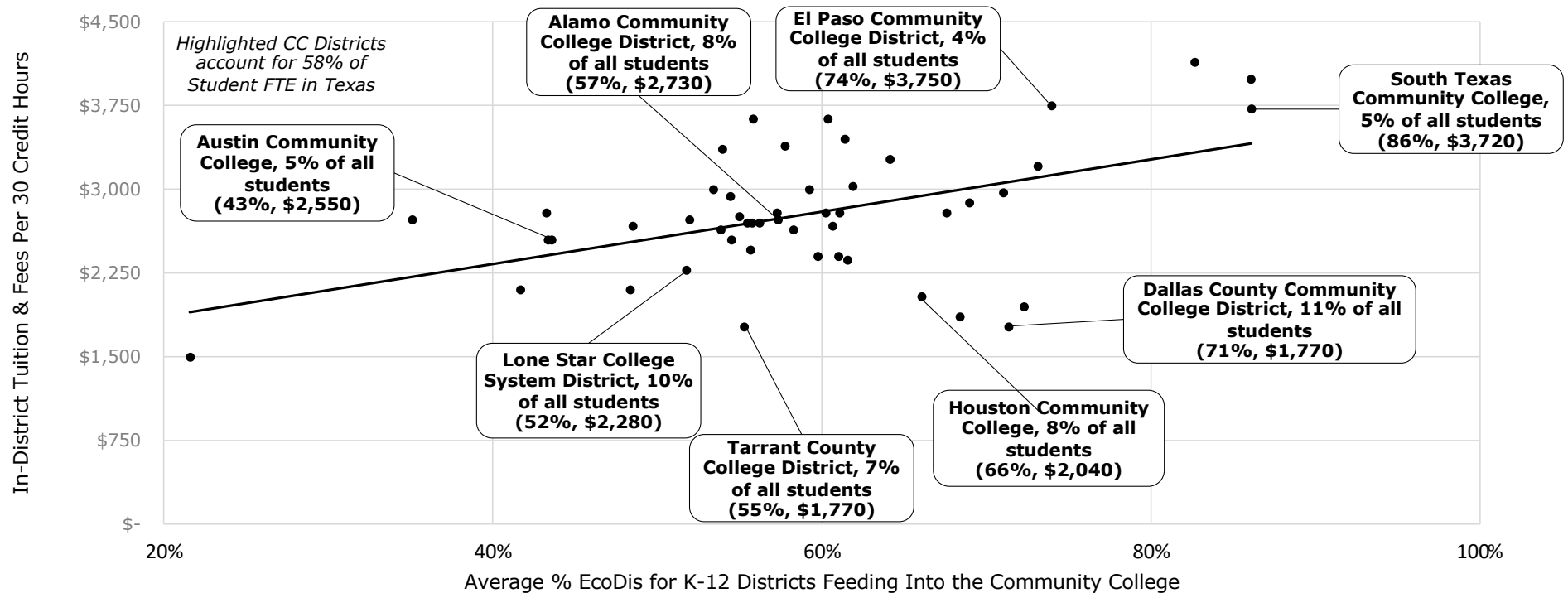


Source: THECB FY 2018 funding and facilities for community colleges detail spreadsheets.

1. Chart above only includes per student revenue from state, local taxes, and tuition & fees. Other funding streams could influence totals.

As the % of Student Economic Disadvantage for Feeder K-12 Systems Increases, the Tuition Required by the Receiving Community College Increases

Relationship between In-District¹ Tuition & Fees Per Student for 30 Credit Hours and Estimated District Economic Disadvantage²



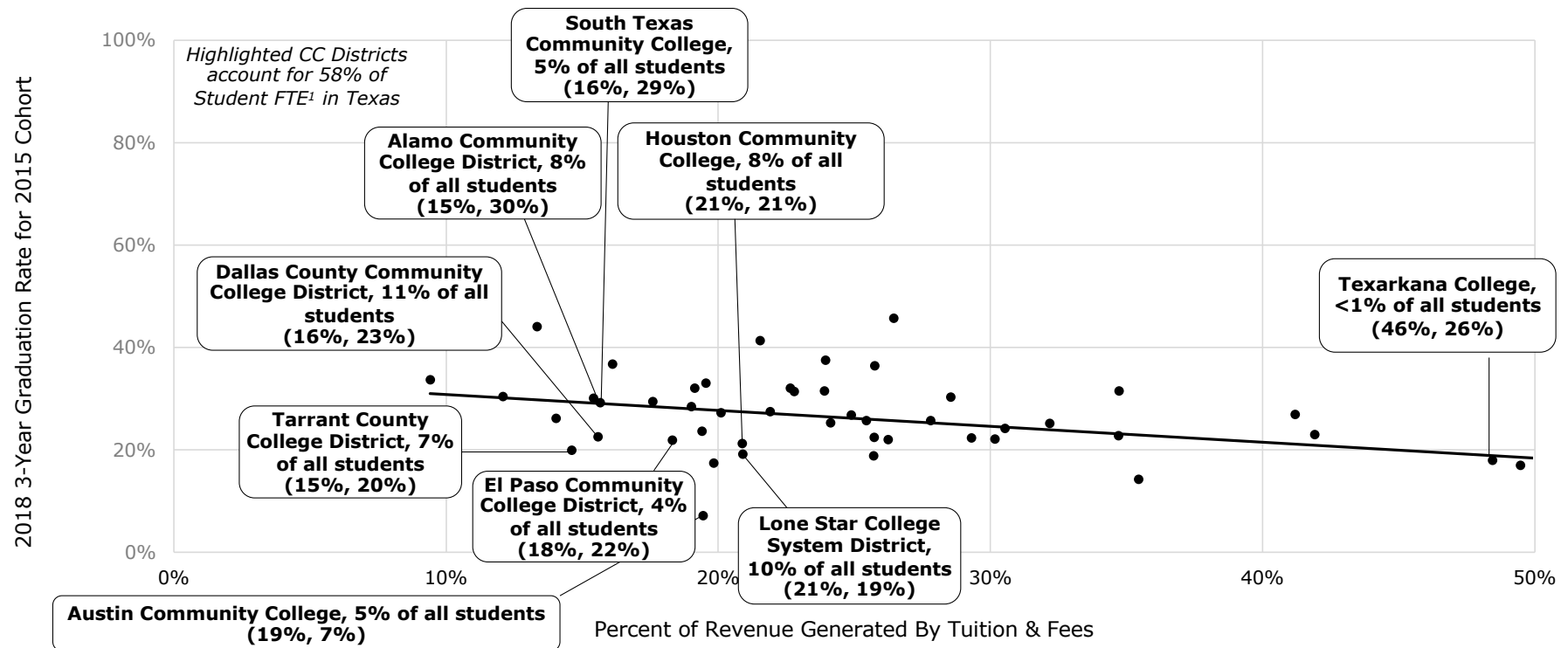
Source: THECB FY 2018 funding and facilities for community colleges detail spreadsheets, 2018 TEA TAPR Reports

1. In-District only signifies students who came from the associated geographic area.

2. Localized school districts signify the K-12 school districts whose students feed into community college. Boundaries based on TACC (Texas Association of Community Colleges).

As the Percent of Community College Revenue Generated by Tuition and Fees Increases, Three-Year Graduation Rates for Students Decline

Relationship between Percent of Community College Revenue from Tuition & Fees¹ and 3-Year Graduation Rate²



Source: THECB FY 2018 funding and facilities for community colleges detail spreadsheets, 2018 THECB Graduation Rate Report

1. Percentage calculated by dividing the Community College revenue from tuition & fees by the Community College revenue from three main sources (state appropriations, local taxes, and tuition & fees).

2. 3 Year Graduation rate measured in 2018 for the 2015 cohort. Graduation rate includes all students who received a Certificate, Associates, and Bachelor's or Above.

Increasing K-12 Student Access to Substantial College Credit While They Benefit from Food and Transportation Supports

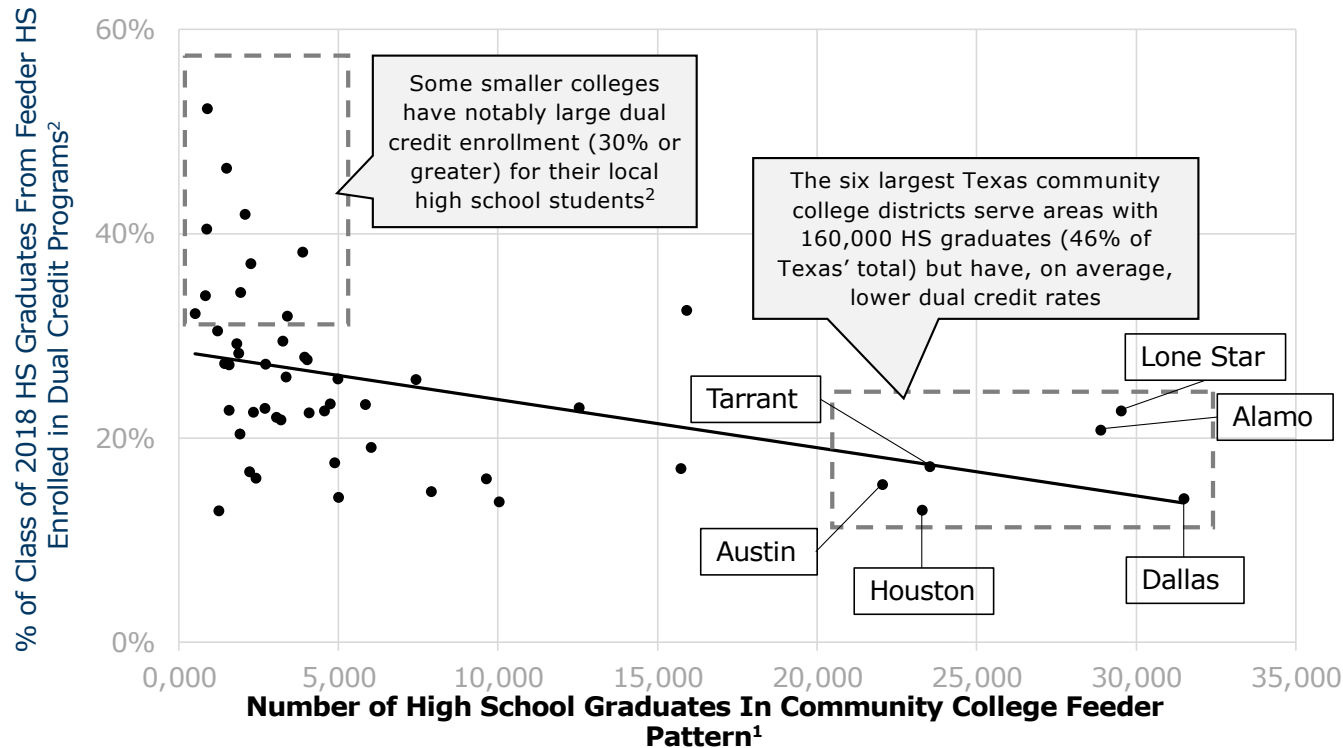
- **Exposure to any college course has a positive impact on student retention and graduation**
 - Dual credit students **2x more likely** than non-credit bearing students to be retained during first 2 years of college.
 - Dual credit students are **3x more likely** than non-credit entering students to graduate in 4 years.
- **Dual credit hours predict graduation**
 - Students who have 16-30, 31-59, or 60+ dual credit hours are **1.4x, 1.9x and 4.9x more likely**, respectively, to graduate in 4 years than students who had just 1-15 dual credit hours.
- **Dual credit students are successful in subsequent courses**
 - Dual credit students' GPAs for subsequent courses are comparable to GPAs of students who took the prerequisites at a UT institution — indicating comparable rigor and quality between dual credit and UT prerequisite courses.
- **Dual credit shortens time to degree and lowers student debt**
 - On average, dual credit students complete a four-year degree **one semester earlier** than students with no prior college credit
 - Students with 31-59 hours **save 2 semesters**; students with 60+ hours **save 3 semesters**.

How Can Dual Credit Enrollment Rates Be More Consistent Across All 50 CC Systems Given its Impact on Completion and Student Debt?

Dual Credit Students Reflect Higher 1st Semester GPA in College Compared to Non-DC

Current Challenges

1. Inability to adequately fund dual credit at no cost to student
2. Inability to grow without training HS faculty to support accredited CC teacher of record
3. Disincentives via not receiving completion and transfer rate credit and fear of cannibalization (i.e. student grows straight to 4-year institution).



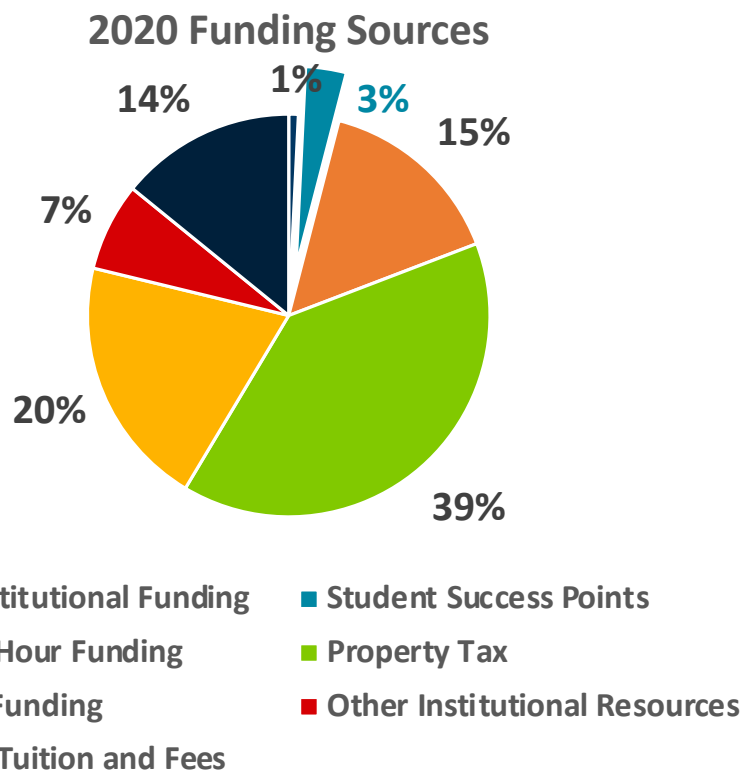
Sources: TEA 2019 TAPR Report. TACC Community College District Service Area

1. To calculate the number of high school graduates in a college feeder pattern, high schools were assigned to community colleges based on the counties each college district serves based on the Texas Association of Community Colleges District Service Area map.

2. Dual credit enrollment for high school students is defined as the % of high school graduates who completed 3 or more hours in ELA or math, or 9 hours in any subject

Success Point Structure

Could Incentives Be More Impactful and Reward Impactful Strategies?



Challenges of Current Structure

1. Represents **only ~3% of overall sources and is likely not sizable enough to drive broad institutional change**
2. Revenue per success point **not fixed** and can **be adjusted downward by Texas Legislature (as done in 2015 and 2017) as total success points increase**
3. High-demand credentials aligned w/ local LMI can likely be further incentivized
4. Funding/points **not adjusted upward based on individual student challenges as done in K-12**

Dallas County Promise (57 High Schools, 22,000 Seniors)

A regional talent collaborative with a dedicated "backbone" that mutually "owns" postsecondary enrollment and completion aligned with workforce



Shared Vision: K12, Higher Ed, and Workforce regional leaders organized around common set of goals w/ mutual accountability.

Integrated Data Platforms: Creation of secure cross-sector data infrastructure enabling partners to adjust strategies, actions, and resources as needed.

Evidence-Based Decision Making: Collecting, analyzing, sharing and acting on evidence of what does and doesn't work.

Investment & Sustainability: Leverage public and regional funding to sustain and scale growth in outcomes

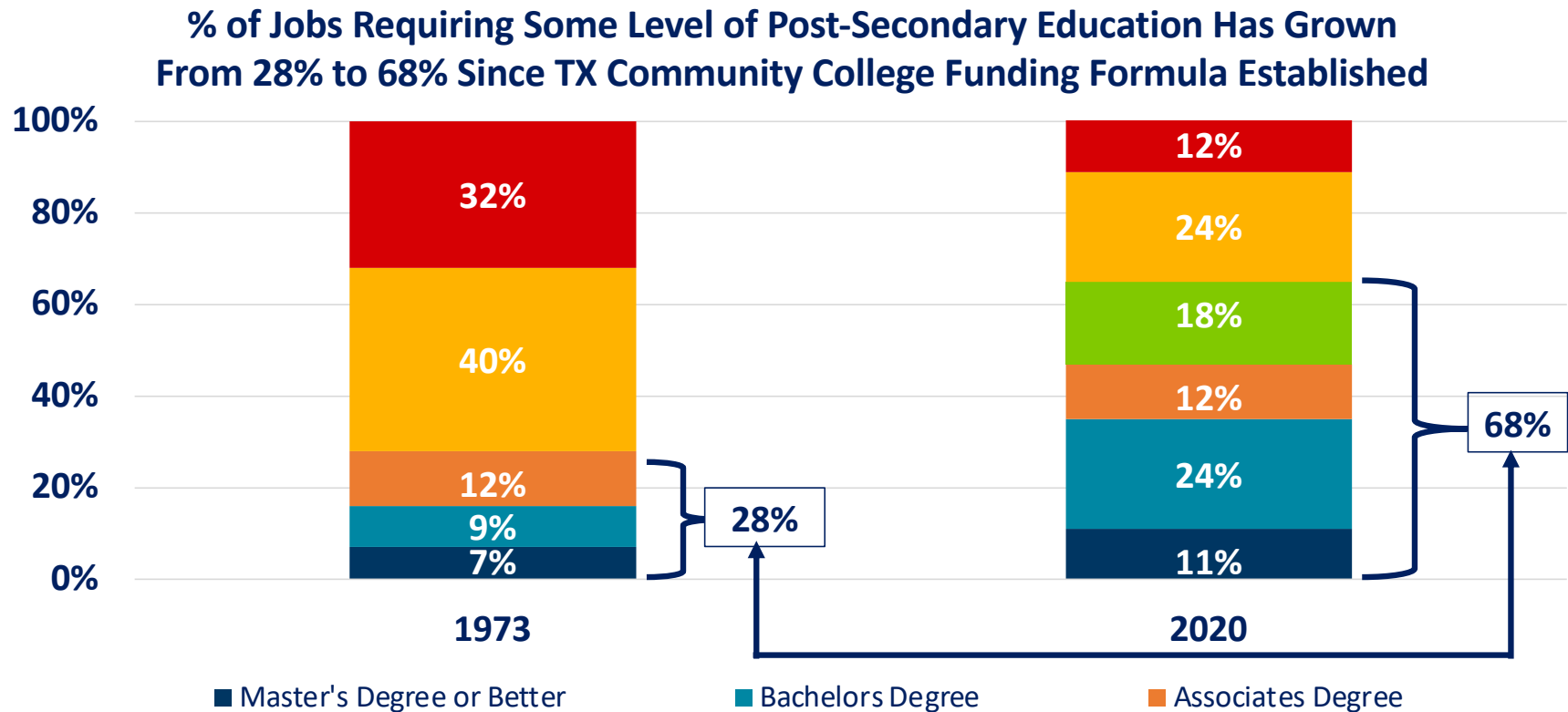
Continuous Improvement: Actionable information for use by students, staff, and leaders to drive rapid improvement, including reconnecting with students who leave a pathway without completion

Source: Strive Together Theory of Action
<https://www.strivetgether.org/what-we-do/theory-of-action/>

Regional Postsecondary Collaboratives Can Yield VERY Positive Results

- Harris County collaborative high schools had a **22% increase in direct enrollment** in Fall 2020 compared to 2019 while non-Promise high schools saw enrollment declines.
- Alamo Colleges saw a **net gain of roughly 500 students (17% increase)** in fall 2020 from participating high schools.
- In 2019, 57 Dallas County participating high schools (22,000 seniors in highest poverty schools) **increased their enrollment by 7 percentage points** while the rest of the state saw a modest decline.

Importance of Post-Secondary Education For Workforce Has Increased 2.5x Since TX Community College Funding Formula Last Studied

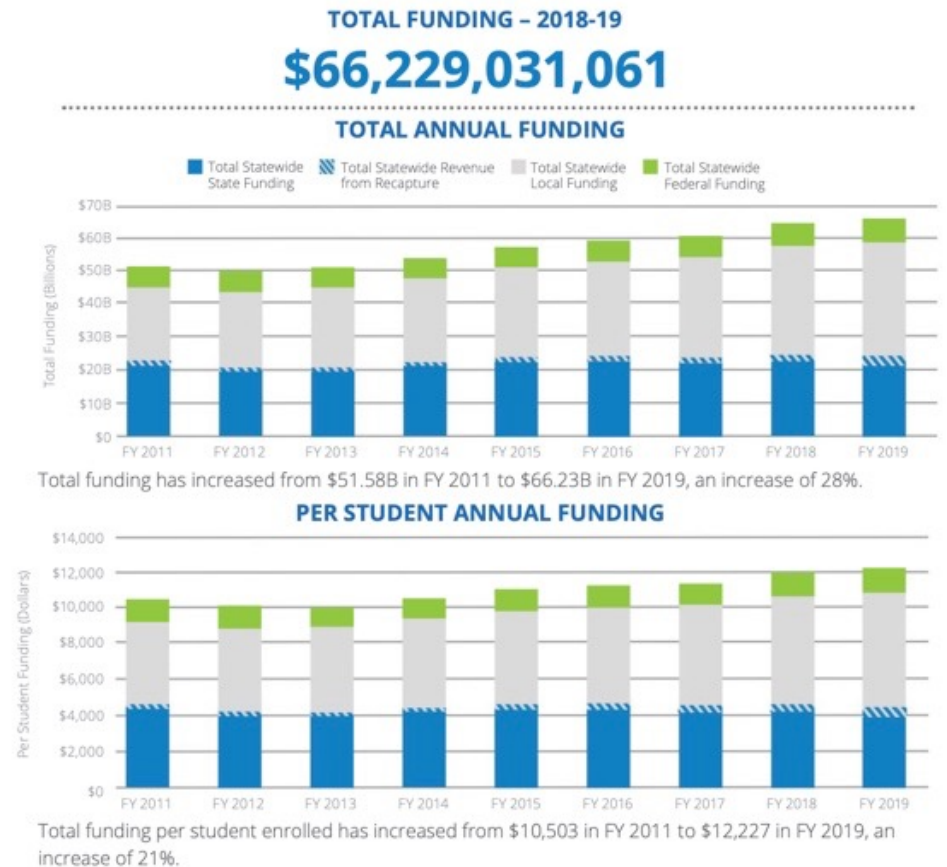


Source: *Job Growth and Education Requirements Through 2020*, Georgetown University.

Conclusion

Critical Importance of Ensuring State's ~\$160,000 per Student Investment in PK-12 is Successfully Converted into a Post-Secondary Credential

- PK-12 system spends \$66bn annually, or \$12,227 per student = **\$160k all-in per student**
- ~65% of total jobs and 95%+ of new jobs require some type of PS credential
- Associate degree creates **\$420k+ more** in lifetime earnings than H.S. diploma
- State currently funds ~\$2K annually per student as its ~19% share of overall community college funding (vs. >\$4k per student in K-12 for its 35%)
- **After spending \$160k per student in PK-12, how do we strategically invest to ensure successful achievement within the “last mile” and ensure the credential that provides the ROI that Texas taxpayers deserve?**



Suggested Areas for Commission to Potentially Study Further

1. Should state fund specific incentives that can help systems **expand their taxing districts** (e.g. state-funded dual credit) which can also reduce out-of-district tuition rates for all community college students?
2. Should **funding be adjusted to recognize student economic and academic disadvantage**?
3. Should **success points structure** be adjusted to:
 - Fund higher dollar amount depending on **student challenges**?
 - Should we have **fixed specific dollar amounts per student point** (so that systems have confidence improved performance will equal higher funding)?
 - Continue to **fund even more for credentials aligned with high demand jobs** per labor market intelligence given the substantial salary inflation occurring due to state supply challenges?
4. Should we align institutional incentives by giving completion and transfer rate credit to community colleges for students who achieve an Associates degree in H.S. and then go directly to a university?
5. Should state award **innovation grants** to CC systems, analyze results, and then scale best practices?
6. Should state provide **outcomes funding to regional talent collaboratives** to incentivize K-12 and higher ed systems to work closely together to mutually drive credential completion (similar to H.B. 2030 legislation in the 2021 session)?
7. Should state consider **incentivizing community college/workforce partnerships** and potentially providing **match capital funding** on a one-time basis to local systems to **modernize CTE facilities**
8. Should state supplement community college funding (perhaps via a voucher) to help target a narrow range of **tuition** so that **student costs are relatively consistent regardless of where they attend?**²⁹

Texas Talent Regions Postsecondary Policy Coalition

Nonprofits, chambers, and higher ed partners representing rural and urban areas of Texas focused on *increasing equitable access to postsecondary degrees and credentials of value*.

The Coalition aims to

- Gather research on opportunities and challenges related to student outcomes
- Advise policymakers and commission members with a unified voice
- Develop and advance a common postsecondary policy agenda

Steering Committee



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EDUCATE TEXAS
at COMMUNITIES FOUNDATION of TEXAS



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Texas Association of
Community Colleges