

Major Policy Discussion: *Building a Talent Strong Texas Update*

July 24, 2025

1

Purpose of the Presentation

- To provide a timely update on the student pipeline and progress toward our Talent Strong Texas (TST) goals
- To examine where momentum exists—and where it needs to be accelerated
- To explore how recent strategic investments and legislation position us to act decisively

2

Recap of Talent Strong Texas Goals

Postsecondary Attainment

- 60% of Texans ages 25–64 will hold a degree, certificate, or other credential of value by 2030

Annual Credentials of Value

- 550,000 credentials of value awarded annually
- 95% of graduates with no or manageable undergraduate debt

Research, Development & Innovation

- Increase annual private and federal R&D investment by \$1 billion
- Award 7,500 research doctorates annually from Texas institutions

3

Why This Update Matters Now

- **Texas is in a moment of momentum:** enrollment growth, economic competitiveness, and significant state investments
- **Legislation supports and amplifies our goals:** including Direct Admissions, My Texas Future, and Free College Application Week
- **Opportunities to enhance engagement:** with high school graduates and adult learners through expanded access to credentials of value

4

Student Pipeline: Postsecondary Enrollment Patterns

5

Understanding the Enrollment Cliff

National Context

- Many states face a sharp decline in college-going students beginning in **2025**
- Driven by declining birth rates after the 2008 recession
- Some regions may see enrollment drops of 15% or more by 2030

Texas Outlook

- Texas is an outlier with projected growth or stability in high school graduates through 2030
- Texas saw an 8.8% drop in births from 2015 to 2020—raising concerns for postsecondary enrollment between **2033 and 2038** as these smaller cohorts reach college age

6

Students' Educational Journeys

ACCESS

- High school student pipeline
 - 380,000 to 400,000 seniors attending public and charter high schools; 17,000 seniors attending private high schools
- Texas adults 25 years and older
 - 4.8 million Texans with a high school diploma; 3.9 million Texans with some college but no degree

STUDENT SUCCESS

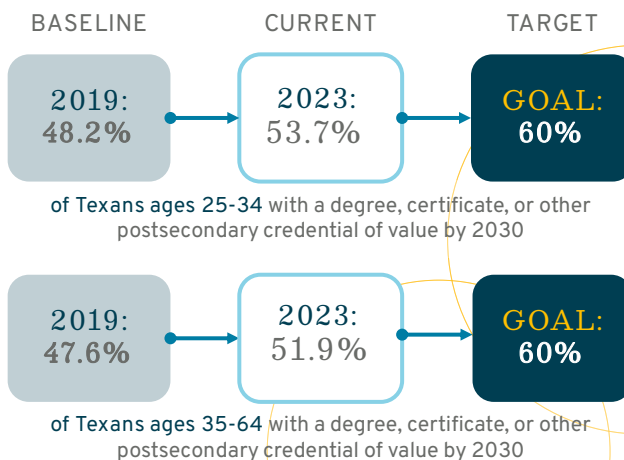
- Part-time enrollment (Fall 2024)
 - 78% students attending 2-year public institutions; 22% students attending 4-year public institutions
- One in three students who complete a credential do so after attending more than one institution

Measuring Progress: Talent Strong Texas Metrics

Postsecondary Credential Attainment

By expanding our attainment goals to include working-age Texans, we will:

- Increase **employment opportunities and incomes** for individuals
- Create a **deeper talent pool** for employers
- **Align skills with the jobs** our economy demands



9

9

Credentials of Value



10

10

Primary Indicators: Credentials of Value

GOAL: 550K

Students completing postsecondary credentials of value each year.

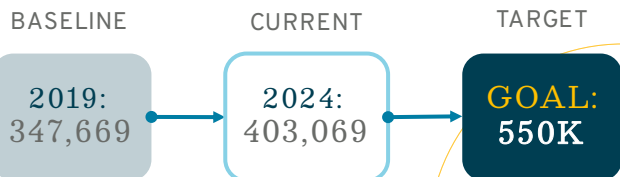
GOAL: 95%

Percentage of graduates with no undergraduate student debt or manageable levels of debt in relation to their potential earnings.

Postsecondary Credentials of Value

Credentials from Texas institutions of higher education must provide a positive return on investment:

- Economic **benefits exceed the costs** to receive them
- **No debt or manageable student debt** in relation to potential earnings
- Programs help students progress efficiently towards completion and **align with career opportunities**



Students completing postsecondary credentials of value each year



of graduates with no or manageable levels of undergrad debt in relation to potential earnings

Increasing Credential of Value Completion

Data Initiatives

- Capture workforce and non-credit credential completions
- Increase data agency and literacy through Data Modernization Initiative (DMI)
- Collaborate with national experts in the field to resolve achievement gaps

Policy and Program Initiatives

- Texas Leadership Scholars
- FORWARD loans
- Community College Funding
- FAST
- Institutional Collaboration Center
- My Texas Future

Trends in Credentials of Value by Degree Area (2019–2024)

- Significant growth in **Computers, Statistics, and Mathematics** (+68%) and **Industrial Arts & Consumer Services** (+21%) reflects shifting workforce demand
- **Health** credentials remain the largest and continue to rise (+9%), underscoring demand for healthcare professionals
- **Education** has declined 16% since 2021, raising concerns amid ongoing teacher shortages
- **Business and Humanities & Liberal Arts** remain high-volume fields but show varied year-over-year trends

Affordability Gains: Manageable Debt Across Degree Areas (2019–2023)

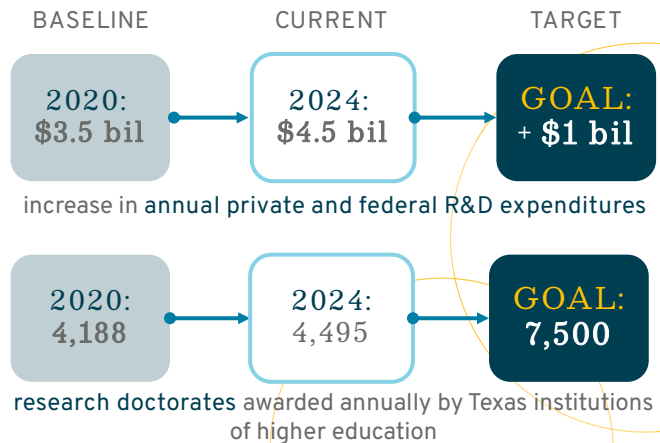
- All degree areas improved in the share of students graduating with no or manageable debt
- **STEM, Business, and Health** consistently lead, with $\geq 98\%$ of students graduating with manageable debt
- **Arts, Education, and Psychology** have shown meaningful progress (up 4–7 percentage points since 2019) but remain below the 95% target
- Systemwide progress: All 16 degree areas now exceed 90%, with 13 out of 16 surpassing 95%, signaling broad improvements in affordability across most fields

Research, Development & Innovation

Research, Development, and Innovation

Advancing Texas' competitiveness in the global economy will require:

- Strengthening our state **R&D infrastructure**
- Translating discoveries into **innovations that benefit Texans**
- Driving **economic development** through job creation and support for local and regional economies



Policy Levers to Accelerate Progress

Sustaining Our Momentum: Support for THECB Exceptional Items



Student Financial Aid

Expanding student opportunity and increasing affordability through strategic investments



Research Initiatives

Advancing research programs at Texas public institutions of higher education



Technology Modernization

Partial restoration of base funding for ongoing technology modernization efforts

Student Financial Aid Increased Portability & Predictability

\$320.3 M
in additional
financial support for
students across
Texas

Provide guaranteed state aid to eligible HS students who graduate in the top 25% of their class

Allow TEOG grant recipients at 2-year IHEs to continue receiving aid through the Texas Grant when transferring to a 4-year IHE

Maintain the current Texas Leadership Scholars Program cohort size at 300

Expand Texas Leadership Research Scholars to recruit more high-achieving doctoral students to Texas public institutions (2026: cohort of 100; 2027: cohort of 300)

Increase in maximum award for the Texas Armed Services Scholarship Program from \$15,000 to \$30,000

Expand access to financial aid by increasing the number of eligible students served by Texas Grants, TEG, and TEOG programs to 67.5%

Expanding Educational Opportunities for Texans



SB 2314

My Texas Future

Expands awareness and utilization of MTF & Direct Admissions, two tools designed to help make college and career pathways more accessible, navigable, and student-focused



SB 2231

Free College Application Week

Enables Texans to apply to any public college or university via ApplyTexas without paying an application fee, during the second full week in October, encouraging more students to take the first step towards higher education



SB 1786

Community College Finance

Continues to build outcomes-based funding by ensuring colleges are rewarded when students transfer to private Texas universities, defining credentials of value in statute, & establishing a wage threshold

Building a Talent Strong Texas: Focus Areas for Continued Acceleration



Strategic Planning

Assessing & aligning agency efforts toward attaining strategic plan goals



Legislative Initiatives

Supporting work aimed at improving outcomes & workforce readiness



Credential Attainment

Strengthening transfer, workforce, & other pathways leading to credentials of value

Legislative Momentum: Implementing Key Bills from the 89th Session

THECB | Texas Higher Education
COORDINATING BOARD

23

Support Texas Students preparing, planning, and applying



SB 2314

My Texas Future and Direct Admissions

- Students can participate in this year's Direct Admissions cycle on August 1, 2025.
- THECB engaged with all 34 lower division, four-year public institutions



SB 2231

Free College Application Week

- This year: October 13 through October 19, 2025 using ApplyTexas
- Continuous outreach to counselors, institutions of higher education, students and parents

THECB | Texas Higher Education
COORDINATING BOARD

24

SB 2314: My Texas Future & Direct Admissions

- **To date:**
 - Over 1M unique visitors to My Texas Future
 - Over 10,300 students have opted-in to Direct Admissions
- Ensure engagement with K-12 pipeline
 - More than 1.8 million students in 9th - 12th grade in Texas
- Enhance User Experience
 - Single Sign On (SSO) and continued integration with ApplyTexas
- Strengthen the communication strategy
 - Ongoing marketing campaign
 - Feedback from users – particularly students

SB 2231: Free College Application Week

- Average cost of a 4-year college application is \$75
 - College-bound students apply to 5 – 8 institutions (NACAC)
 - Potential cost savings of \$375 to \$600 for each student
- Continuous outreach to:
 - Students and Parents
 - Counselors (middle schools and high schools)
 - Institutions of Higher Education
 - State Agencies, Associations and Organizations
- Direct Admissions Toolkit (4-week action plan) for Counselors and Students/Parents aligned with the second week in October



27



28