

## **Education Priorities for the 83<sup>rd</sup> Texas Legislature**

### **Policy Recommendations for Public Education and Higher Education**

Ten percent of our nation's K-12 students are in Texas schools. Their success is our success as a state and as a nation.

**Texas' ability to create an education system that delivers on workforce and post-secondary readiness for all students is crucial to our long-term prosperity. We must fully transform our state's education system to meet the challenges and opportunities so clearly evident today.**

The price for failing in this charge is substantial. During the most recent recession, having more education helped people all over the world remain employed. According to the OECD, between 2008 and 2010, unemployment rates among developed nations rose to double-digits (12.5 percent) for people with less than a high school education and as high as 7.6 percent for those people with only a high school education. For people with the equivalent of at least a post-secondary degree or credential, the jobless rate rose only slightly from 3.3 percent to 4.7 percent.

Texas must improve high school graduation rates but those graduates have to participate at higher rates at some post secondary level and college graduation rates (and certificates of value earned) have to improve substantially as well.

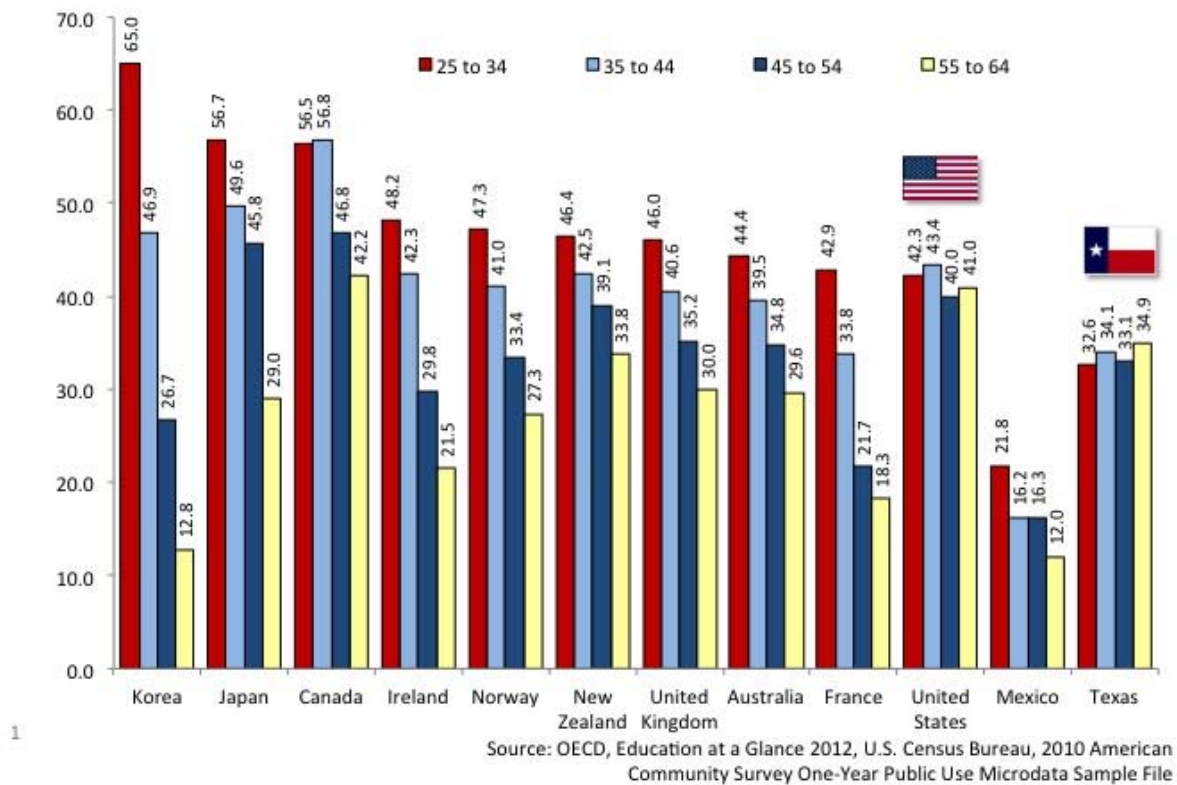
**Yet, according to a report commissioned by the Houston Endowment from the National Center for Higher Education Management Systems, only 20 percent of Texas students are earning any sort of postsecondary credential within six years of expected high school graduation.** Students who are entering post-secondary programs are doing so ill prepared to compete or complete coursework in our community colleges and universities. Fifty-one percent of students entering community college need remediation.

While Texas high school graduation rates are improving, far too few students are attaining post-secondary degrees, certificates and credentials of value that equip them with the knowledge and experience needed to fill the jobs that are the lifeblood of the 21<sup>st</sup> Century Texas and global economies.

Our shortcomings in education, and the looming crisis, are further evident when you consider that, according to the OECD's "Education at a Glance 2012 Report," our 55-64 year old population, who will be leaving the workforce over the next decade, rank 3<sup>rd</sup> in the world in educational attainment levels while our 25-34 year olds rank a disappointing 24<sup>th</sup>, well below the national average and that of developed nations around the globe.

Without a doubt, Texas is losing its workforce competitiveness in terms of education and the implications, given the high correlation between income and education, are dire for our state's ongoing economic vitality.

Percent of Adults with an Associate Degree or Higher by Age Group – Texas, Mexico, U.S. & Leading OECD Countries, 2010



How state leaders respond to this clarion call for education reform will ultimately define our ability to remain globally competitive, create jobs, attract investment and expand our dynamic economy.

To this end, the Texas Business Leadership Council (TBLC), the state's only statewide, CEO-based public policy research organization, provides the following K-12 and Higher Education legislative priorities and policy recommendations.

## K-12 Education Policy Recommendations

### The Texas Accountability System

The Legislature should **protect the key components of Texas' accountability and assessment system** as passed in SB 1031 (2007) and HB 3 (2009).

With the passage of SB 1031 and HB 3, Texas signaled that the knowledge and skills required for graduation should be closely aligned with job qualifications for high-performance employers and entrance requirements for institutions of higher education. These landmark pieces of legislation – which have been recognized by independent third parties as some of the best education policies in the nation – moved the goal of the public education system and student expectations from “passing” to “postsecondary readiness.” Postsecondary readiness means students have the knowledge and skills to successfully complete freshman-level work in college or community college, earn industry certifications or state licenses, qualify for advanced military service, or complete other types of job training to prepare them for the high-performance workplace – all without the need for remediation.

**The key elements of these landmark laws – high standards, aligned assessments and accountability for results – are the necessary foundation upon which our hopes for increased postsecondary readiness are built.**

The legislature should take additional steps to strengthen accountability: **create an evaluation system for schools and districts based on A-F ratings, impose serious consequences for schools that fail pervasively for two years in a row, and implement an effective parent trigger provision that allows a majority of parents to take over or transform underperforming schools.**

### Provide Expanded Choice and Opportunities for Parents and Students.

**Allow students who were enrolled the previous year in a failing school as defined by the State's accountability system to receive 60 percent of the normal State and local dollars that would follow each individual student for the purposes of enrolling in another public or private school in Texas.** Participating students would be required to take a national or State assessment (approved by the State).

**Create a private school scholarship fund by offering a state business tax savings credit to corporations that contribute to make school choice more widely available.** By no means should private schools come under any additional regulation by the State with regard to curriculum or operations. The innovation that stems from private schools, home schools and charter schools is critical, and that innovation hinges on the ability of these schools to function independently.

**Provide scholarships to students with disabilities to attend a public or private school of their choice.** Eligible students, as defined by statute, would receive a scholarship equal to the amount the student would have received in public school to which the student is assigned or the amount of the private school's tuition and fees, whichever is less.

**Enhance the creation of charter schools in Texas by removing the cap on number of charters that can be granted annually by the State.** Move quickly to close down low-performing charters and change law so that the charters of low performing schools can not only be closed but the charters can be revoked by the State.

## **Deregulate and Innovate**

**Move away from the top down, compliance and input driven system in our State public school system today toward one that is output and performance based.** The State should enable and encourage innovative teaching and learning methods, including leveraging technology. Schools should be free from unnecessary operational and management from state bureaucracy, including arbitrary class size restrictions.

**Expand online course availability and blended learning.** Allow students to enroll directly in individual online courses paid for through the Foundation School Program. Allow local school districts to provide virtual/online education courses to public and private school students throughout the state without having to go through the Texas Virtual School Network. Eliminate the 22-1 student/teacher ratio for any class using learning technology.

## **Promote Greater Educator Effectiveness**

**Permit school districts to opt out of the state minimum salary schedule and allow (but not mandate) districts to adopt local schedules.** If a district does adopt a schedule, it must be based on criteria such as: effectiveness (including student performance), market demand, and experience and/or expertise.

## Higher Education Policy Recommendations

The challenges we face in Texas' education system are not limited to K-12. The Texas workforce demands we increase the number of college completers.

### Outcomes-Based Funding

**Adopt a new framework for funding our institutions of higher education.** Texas needs a model that establishes a balance between enrollment and degree completion (success), and achieves better alignment with future workforce needs.

The TBLC recommends that **at least 10 percent of state formula funding be based on student outcomes.** Public university outcomes funding would be allocated based on degrees awarded, with special emphasis on critical workforce needs and degrees awarded to at-risk students. Public community college outcomes funding would be allocated based on key educational milestones commensurate with their mission, such as completing credits on the way to a credential, transfer to a university, and STEM certificates and degrees.

### Restructure Financial Aid

Texas faces a very real challenge in keeping college accessible and affordable. College costs are accelerating and more students aspiring to higher education lack adequate resources to pay for a degree. After a decade of increasing investment in state financial aid, it is clear Texas does not have limitless resources to serve enough students to keep our current financial aid programs as effective tools for meeting the state's higher education goals over the long term.

Last session, the Texas Legislature enhanced the TEXAS Grant program by giving priority to needy students who excelled in high school, an important first step toward improving program effectiveness. Now, the TBLC recommends that the Texas Legislature **explore policies and strategies to redesign financial aid programs to expand access to a greater number of needy students as well as provide greater incentive to graduate on time and with as few courses as needed to complete a program.**

The TBLC also recommends considering:

- Capping state financial aid awards to tuition, fees, and books;
- Limiting the length of time students may receive state financial aid;
- Increasing the course-load requirement for students to qualify for financial aid; and
- Re-designing the current B-On-Time program to expand access and improve effectiveness.

Texas must ensure our financial aid policy serves the dual role of keeping college accessible while encouraging students to complete their programs.

## **Developmental Education**

Much of our current developmental (or remedial) education delivery is a better predictor of failure than success. Pressure from the Legislature must be maintained to look to alternative delivery methods of Developmental Education based on national research and state pilot programs.

**To learn more about the Texas Business Leadership Council (TBLC), its research and policy recommendations, as well as upcoming events, please visit [www.txblc.org](http://www.txblc.org), connect with us on [Facebook.com/TXBLC](https://www.facebook.com/TXBLC) and follow us on Twitter @TX\_BLC.**