



Texas Business Leadership Council
816 Congress Avenue, Suite 990, Austin, TX 78701
info@txblc.org | (512) 481-0525

[txblc.org](https://www.txblc.org) [/txblc](https://www.facebook.com/txblc) [@tx_blc](https://twitter.com/tx_blc)

1994 | **30 YEARS** | 2024

Q1 2024

PUBLIC POLICY FOR A MORE GLOBALLY COMPETITIVE TEXAS

88TH TEXAS LEGISLATURE TAKES BOLD STEPS TO STRENGTHEN THE WORKFORCE OF THE FUTURE

Although news headlines in Texas and nationwide have been dominated by stories about dysfunction in government due to extreme partisan politics, Texas legislators worked across the aisle during the 88th Legislative Session to pass two major education bills that will help employers by strengthening the talent pipeline in the Lone Star State. Texas Business Leadership Council (TBLC) is proud to have played a role, along with a statewide coalition of business and education organizations, in contributing to passage of this legislation that is critical to supporting the skilled workforce necessary for a globally competitive Texas.

House Bill 1605 by Rep. Brad Buckley seeks to improve K-12 student outcomes by providing teachers with access to high quality instructional materials that are rigorous and aligned with state standards. Rep. Gary VanDeaver championed House Bill 8, leading to unanimous passage of historic community college finance measures that focus on successful student outcomes.

Together, these bills promise to have a transformational impact for Texas students, our public education and community college systems, and ultimately employers across the state. TBLC is honoring Reps. Buckley and VanDeaver with the 2024 Woody L. Hunt Legislative Leadership Award in recognition of these accomplishments.

High Quality Instructional Materials Help Teachers and Students

While improvements have been made since the pandemic, according to 2023 State of Texas Assessment of Academic Readiness (STAAR) results for grades 3-8, only 45% of students met grade-level or above in math with 53% meeting grade-level or above in reading-language arts. Students who are not reading at grade level by third grade will fall farther behind in higher grades and many do not graduate from high school, thus reducing the future hiring pool of skilled workers in Texas.

A major reason that many Texas students perform below grade level is that they are taught with instructional materials that are below grade level. Teachers are tasked with developing their own lesson plans and materials, yet they do not have sufficient bandwidth to do so. HB 1605 seeks to reduce this burden for teachers by establishing a quality control process at the state level to review and approve instructional materials submitted by publishers.

The State Board of Education (SBOE) is responsible for creating the annual Instructional Materials Review and Approval (IMRA) Process to determine whether materials submitted by publishers are suitable for grade and subject, fully aligned with Texas Essential Knowledge and Skills (TEKS) standards, and meet a rigorous standard to be considered high quality. The bill provides over \$320 million in new funding to incentivize school districts to adopt instructional materials approved by the SBOE under the new process, however, it does not mandate participation.

Texas Education Agency (TEA) will also serve as a publisher of instructional materials that must be vetted through the IMRA process by external reviewers. Once approved, these will be made available to school districts at no cost as Open Education Resources (OER), along with additional funding at \$20 per student to cover printing costs.

The goal is for school districts to be able to start using approved instructional materials by the 2025-26 school year. To date, SBOE has approved the IMRA process and determined that English Language Arts and Reading (ELAR) and math will be prioritized as the first subjects reviewed. Publishers have submitted initial curricula for review. To ensure transparency, publishers will be required to make approved materials available to parents of enrolled students through a portal.

Reinforcing Early Literacy Instruction That Adheres to the Science of Teaching Reading

In addition to helping improve student outcomes by ensuring they are taught on grade level, HB 1605 requires that instructional materials be free from factual error and include a vocabulary list from the state and at least one literary work per grade level. It will also bolster early literacy by prohibiting three-cueing, a controversial method for teaching reading that data show has been detrimental to students, to ensure that instruction is focused on evidence-based best practices including phonics.

HB 1605 incentivizes school districts to adopt high quality instructional materials fully aligned with state standards to take pressure off teachers and improve student outcomes. Ultimately, this will have an impact downstream with more students being college, career and military ready and empowered to pursue postsecondary opportunities.

Texas Supports Employer Needs by Increased Investment in Postsecondary Outcomes

Texas has the eighth largest economy in the world and leads the nation in job growth, however, we face postsecondary attainment challenges with less than 1 in 4 students completing a credential by age 24. By 2030, 62% of jobs will require some form of postsecondary credential, but only 48% of adults in Texas currently have these qualifications according to Senate Education Committee testimony by Higher Education Commissioner Harrison Keller.

TBLC members from across the state report major pain points for their businesses related to finding enough applicants with the required credentials, on-boarding new hires that are often not job ready day one, and reskilling and upskilling incumbent workers to adapt to changing needs and emerging technologies.

Reflecting the recommendations of the Commission on Community College Finance chaired by TBLC member emeritus, Woody Hunt, HB 8 addresses these issues by providing over \$680 million in new funding for community colleges and shifting it from being based on enrollment to a primary focus on successful student outcomes.

Now 95% of state funding is based on community colleges producing the outcomes that employers need to support a healthy hiring pipeline – completion of credentials of value including degrees, certificates, and other credentials from credit and non-credit programs and transfers to 4-year public universities in Texas. Outcomes funding is also provided for high school students that complete 15 Semester Credit Hours (SCH) of dual credit because we know that these students are more likely to complete a postsecondary credential.

Texas is being recognized nationally for this unique funding model that emphasizes outcomes with an equitable approach. It supplements the cost of basic instruction and operations for community college districts that have a lower taxable valuation base so that a student's zip code no longer determines their access to affordable, high-quality postsecondary opportunities. It also recognizes that certain types of students need additional wraparound services to be successful and provides weighted outcomes funding for students who are economically disadvantaged, academically underprepared, and for adult learners aged 25 and up.

New Funding for Short-term Credentials Is a Game Changer

Community colleges have traditionally served local workforce needs for reskilling and upskilling through self-funded continuing education programs. The new state funding HB 8 provides for these non-credit workforce credentials, including short-term credentials, is a game changer in terms of enabling robust partnerships between colleges and employers to develop new programs, expand work-based learning opportunities, and be more responsive to a rapidly evolving economy.

Additionally, proposed rulemaking will recognize third-party credentials such as *Grow with Google* as fundable outcomes if these meet specific requirements. Colleges are also incentivized to focus on programs that support high-demand fields based on state and regional lists of occupations with the highest projected growth over the next ten years that require more than high school but less than a 4-year degree.

Improving Higher Education Affordability and Value

The 88th Legislature also helped to address one of the top concerns in higher ed today – affordability. In the past, the grant program for 2-year colleges has only been funded at a level that allowed for 28% of qualified low-income students to receive state financial aid and this has been increased to 70%, on par with the grant program for 4-year institutions.

Additionally, HB 8 establishes the Financial Aid for Swift Transfer (FAST) program to provide economically disadvantaged high school students with access to dual credit, at no cost, to put them on an early pathway to postsecondary attainment. It also caps the rate for dual credit for all other students at participating colleges.

Lastly, the heart of HB 8 is an emphasis on funding credentials of value that, by definition, ensure students will gain a return on their investment in education within ten years of earning a credential. Proposed rules will also incentivize colleges to break down barriers to timely completion by providing a premium for students that achieve ROI faster than the average time based on program type.

PUBLIC POLICIES FOR A GLOBALLY COMPETITIVE TEXAS: AT A GLANCE

HIGH QUALITY INSTRUCTIONAL MATERIALS (HQIM) – HB 1605

- Establishes annual **Instructional Materials Review and Approval (IMRA) Process** to ensure materials are on grade level, suitable and aligned with Texas Essential Knowledge and Skills (TEKS) standards.
- Adoption of approved instructional materials is **not mandated** for school districts.
- Provides districts **\$320 million in new funding** to be spent only on SBOE-reviewed and approved instructional materials.
- Requires approved instructional materials published by TEA to be available to school districts as Open Education Resources (OER) at no cost outside of printing.
- Increases transparency by requiring publishers to make **approved instructional materials accessible through a parent portal**.
- **Minimizes the amount of time teachers spend** preparing lesson plans outside of working hours.
- Supports instruction based on the science of reading and improved outcomes by **prohibiting three-cueing** in phonics curriculum.

COMMUNITY COLLEGE FINANCE – HB 8

- Transitions state funding from enrollment to primarily **outcomes aligned with workforce needs**:
 - **Credentials of value:** earning degrees, certificates, and other credentials from credit and non-credit programs. Weighted for **high-demand fields** based on state and regional top growth occupations;
 - **Transfer success:** students who transfer to 4-year public universities in Texas;
 - **Dual credit:** completion of 15 SCH that apply towards academic or workforce program requirements at collegiate level.
- **Guarantees instruction and operations support for colleges with low taxable valuation base** so that a student's zip code no longer determines their access to affordable, high-quality postsecondary opportunities.
- **Weighted funding based on student type** allows colleges to provide additional supports to improve outcomes for **economically disadvantaged (25%), academically underprepared (25%), and adult learners (50%)**.
- **Improves affordability** by increasing funding for need-based financial aid from current level of 28% up to **70% of qualified low-income students**.
- Establishes Financial Aid for Swift Transfer (FAST) program to **provide economically disadvantaged students with access to dual credit at no cost**.

For questions or additional information, please contact
TBLC Vice President of Policy, Kelle Kieschnick at kkieschnick@txblc.org