



Texas Business Leadership Council

816 Congress Avenue, Suite 990, Austin, TX 78701

kkieschnick@txblc.org | (512) 481-0525

 txblc.org

 linkedin.com/company/txblc/

 [@tx_blc](https://twitter.com/tx_blc)

2025 | Q2

PUBLIC POLICY FOR A MORE GLOBALLY COMPETITIVE TEXAS

INVESTING IN THE WORKFORCE OF TOMORROW: A BUSINESS CASE FOR STRENGTHENING EDUCATOR PREPARATION AND FINANCIAL AID IN TEXAS

As Texas business leaders, we understand that our state's long-term economic prosperity hinges on the strength of our workforce. While Texas continues to experience remarkable economic growth and remains a national leader in job creation, we are deeply concerned that our talent pipeline is not keeping pace. The 89th Texas Legislature has the opportunity—and the responsibility—to take bold action that addresses two critical levers for workforce readiness: (1) increasing the number of certified, well-prepared teachers in Texas classrooms to improve student outcomes, and (2) strategically funding financial aid for low-income students pursuing postsecondary education and credentials to help grow our supply of skilled workers.

For questions or additional information:

Please contact TBLC Vice President of Policy, Kelle Kieschnick at kkieschnick@txblc.org

I. Building a Strong Foundation: Invest in Strengthening Our Teacher Workforce

Texas is facing an urgent crisis in our PK-12 education system. Student outcomes are lagging, and the state's growing reliance on uncertified and underprepared teachers is putting academic achievement and workforce readiness at risk. According to 2024 STAAR results, only 53% of Texas students in grades 3 through 8 are performing at or above grade level in reading, and only 41% are at or above grade level in math. These alarming statistics represent a fundamental threat to the future competitiveness of our workforce.

The evidence is clear: teachers are the single most important in-school factor affecting student success. Yet, in the 2023–2024 school year, 56% of new Texas teachers entered the classroom uncertified—lacking key pedagogical skills and classroom experience. These uncertified teachers are disproportionately concentrated in rural and low-income districts and are more likely to leave the profession within five years, further exacerbating instability in our schools. In fact, attrition rates for uncertified teachers are nearly double those of their traditionally trained peers according to the Texas Education Agency.

This crisis has real economic implications. Research shows that students taught by an uncertified teacher experience learning loss and this is linked to lower lifetime earnings, reflecting these students are less equipped for career success.¹ Replacing just 10% of uncertified teachers with well-prepared educators would increase annual student earnings by \$2,800—representing billions in potential earnings gains across the state.²

Fortunately, we have seen examples of successful educator preparation models that lead to better retention and improved student outcomes. For example, paid teacher residency programs, like the medical residency model, provide extensive hands-on training in the classroom and a financial incentive for aspiring teachers because they get to earn while they learn. The results speak for themselves: according to TEA data, if all first-year teachers had the same retention rate as paid residents, approximately 3,600 fewer first-year teachers would have left Texas public schools between 2022-23 and 2023-24. Student achievement also improved, particularly in reading with first-year teachers who completed a residency performing on par with fifth-year instructors.³

However, it has been difficult to scale educator prep pathways like residencies that have a significant practice-based component because many require 6 to 12 months of unpaid student teaching. In contrast, under our current framework aspiring teachers can choose to skip certification altogether and start earning a full-time teacher salary. To grow our pipeline of well-prepared teacher candidates, this incentive misalignment must be addressed.

Policy Recommendation: State Investment to Elevate the Teaching Profession

The 89th Legislature has the opportunity to take a targeted approach to address Texas's certified teacher shortage by providing dedicated funding for teacher candidates, school districts, and preparation programs. Key provisions should include:

- **Invest in Educator Preparation**

Expansion of successful educator preparation models with a significant practice-based training component including teacher residencies, grow-your-own programs, traditional university pathways, and high-quality alternative certification programs.

- **Incentivize Teacher Certification**

Stipends for teacher candidates to offset the cost of preparation, enabling increased practice-based training time.

Provide funding incentives for districts to help their uncertified teachers get certified.

Differentiated pay for certified vs. uncertified new teachers to reward preparation and expertise.

- **Better Support for New Teachers**

Mentorship funding to improve early-career teacher success and retention.

Implement the use of high-quality instructional materials and provide training to maximize the impact in the classroom.

- **Mitigate the Impact of Uncertified Teachers**

Limit the use of uncertified teachers in foundational subjects.

Establish a feasible timeline to phase out uncertified instructors.

These solutions align with the recommendations of the [Teacher Vacancy Task Force](#) and [Governor Abbott's emergency item](#), offering a strong ROI for the state by strengthening our teacher workforce and better preparing students for future success.

II. Closing the Credential Gap: Strategic Investment in Postsecondary Affordability

Texas has experienced robust economic growth, yet our ability to sustain that momentum is threatened by a widening workforce shortage. Businesses across the state are struggling to find local candidates with the postsecondary credentials required to fill high-demand jobs. In many industries—especially skilled trades, technology and engineering—employers are increasingly turning to out-of-state hires. This approach is costly, and it's no substitute for a pipeline of home-grown, highly skilled Texans ready to power our economy forward.

The demand for workers with postsecondary training is clear. By 2031, 63% of jobs in Texas will require a degree or credential beyond high school.⁴ Yet currently, only 24% of Texans earn such a credential within six years of graduating high school. The gap is particularly acute among low-income students with less than 16% of economically disadvantaged students completing a degree or workforce credential within six years—compared to 36% of their wealthier peers.⁵ This mismatch represents not just a missed opportunity for our students, but a direct threat to the state's long-term economic competitiveness.

At the same time, the Legislature has been making major, strategic investments in evidence-based policies to improve PK-12 outcomes—particularly in efforts like expanding access to dual credit and career pathways that prepare students to pursue higher education. These investments are beginning to pay off. As more students graduate college- and career-ready, we can expect to see an increase in postsecondary enrollment. However, 60% of Texas public school students are economically disadvantaged. For these students, financial aid is essential—not optional—to turning their aspirations into credentials.

Cost is the primary barrier to postsecondary completion. In a recent statewide survey by the Texas Higher Education Foundation, 80% of Texas students and parents overwhelmingly agreed that higher education is crucial for career success but cited financial cost as the biggest challenge. According to research by Trellis Strategies, tuition and fees at public colleges and universities have

outpaced income growth in Texas. The total cost of attending college continues to rise, with housing costs increasing at disproportionately higher rates, contributing to basic needs insecurities for many students that impact their academic performance and completion rates.⁶

To meet this moment and maximize our state's return on investment in the PK-12 system, Texas must be ready to grow its investment in need-based financial aid. Based on the recommendations of the Community College Finance Commission chaired by TBLC member Woody Hunt, the 88th Legislature set an important benchmark by committing to fund 70% of eligible students through need-based programs like the TEXAS Grant, Texas Educational Opportunity Grant (TEOG), and Tuition Equalization Grant (TEG). This session, it's time to fulfill that commitment—and plan ahead for rising student demand.

Policy Recommendation: Increase the State's Investment in Financial Aid

With the current budget surplus, we urge the 89th Legislature to strategically invest in financial aid by:

- Honoring the commitment to fund 70% of eligible students at both two-year and four-year institutions.
- Guaranteeing TEXAS Grant and TEOG for eligible students in the top 25% of their class to help retain top talent in the state.
- Ensuring that financial aid programs better support students seeking to continue their career pathway by transferring from a community college to a four-year institution.

Failing to adequately invest in financial aid undermines the very progress being made in our PK-12 system. We cannot afford to let financial barriers stop students from reaching their full potential when the return on investment is so clear. Postsecondary credentials significantly increase lifetime earnings and fuel upward mobility. Texans who earn a bachelor's degree see an 83% increase in lifetime earnings compared to those with only a high school diploma or GED—a median gain of \$1.3 million (\$2.87 million vs. \$1.57 million).⁷

A Call to Action for the 89th Legislature

As employers, we are already feeling the effects of workforce gaps. Talent shortages are hampering our ability to grow, compete, and innovate. Now is the time for the 89th Legislature to double down on what works. Investing in practice-based teacher prep pathways and postsecondary affordability is an investment in Texas's future workforce, global competitiveness, and continued economic leadership. We urge lawmakers to act boldly and swiftly to build the workforce of tomorrow by investing in the students and educators of today.

End Notes

1. Kirksey, J. (2024). [Amid Rising Number of Uncertified Teachers, Previous Classroom Experience Proves Vital in Texas](#); Marder, M., Torres, L.G., Martinez, C., (2024). [Beyond the Tipping Point: The Rise of the Uncertified Teachers in Texas](#).
2. Kirksey, J. (2025). [The Economic Benefits of High-Quality Teacher Preparation in Texas](#).
3. Texas Education Agency (2024). [Paid Teacher Residencies in Texas](#).
4. Carnevale, A.P et al. (2023), [After Everything: Projections of Jobs, Education, and Training Requirements through 2031](#), Georgetown Center on Education and the Workforce.
5. [Texas Talent Trajectory \(T3\)](#), 8th Grade Cohort Data: 2013 (2024).
6. Taylor, E. (2025). <https://www.trellisstrategies.org/research-studies/addressing-the-rising-cost-of-attendance-in-higher-education-in-texas/>, Trellis Strategies.
7. Decker, B. (2023). [Answering the Age-Old Question: Is a College Degree Worth It?](#)