

SHAPING TOMORROW'S WORKFORCE

TEXAS 2036

Texas 2036 is pioneering projects to cultivate a resilient, future-ready workforce where more Texans earn a family-sustaining wage.

This starts with ensuring that when all Texas high school students graduate, they are ready for life after graduation — whether that be for enrollment in college without remediation or for a career with the skills, training and credentials to land a well-paying job.

This fall, the high school graduating class of 2036 entered kindergarten. Policymakers have just 13 years and five more regular legislative sessions before these children reach adulthood.

TEXAS-SIZED CHALLENGES

57%

of Texas students do not perform math on grade level.



Only
36%

of Texas high school graduates earn a postsecondary degree or credential within 6 years of their graduation.



70%+

of jobs will require postsecondary degrees or credentials by 2036.



In 2011

51%

of all Texas jobs paying \$65,000+ were held by individuals who **only had a high school diploma** or below

By 2019, this had fallen to
11%.



Texas spends more than

\$110 Billion

each year on its education-to-workforce pipeline, yet the funding is often not aligned toward long-term state goals or credentials with value for students and employers.



Less than

3%

of aged-out former foster youth graduate with a bachelor's degree nationally.



THE BIG QUESTIONS

- 1 How can we best ensure that the 5.5 million students in Texas' K-12 public education system are academically prepared for the next grade and then ready upon graduation for college or a career?
- 2 How can Texas leverage the investments and reforms made in HB 3 (86R) and HB 8 (88R) to increase the number of students earning credentials in high school?
- 3 How can the state improve workforce programs for Texans that have historically faced barriers to employment success, including veterans, former foster children and justice-involved Texans?

1. Classroom to Career Initiative

This signature undertaking seeks to dramatically increase the number of high-wage, high-demand postsecondary credentials earned while students are still enrolled in high school. By modernizing the high school experience, increasing alignment between community colleges and high schools, better leveraging recent legislative investments, and seamlessly aligning K-12 accountability measures, the state can take bold steps in 2025 to lead the nation with a skilled workforce that can drive long-term economic growth and prosperity.



2. Focus on Academic Readiness

To ensure all students in Texas are prepared for academic success, Texas 2036 seeks to continue its impactful work on early reading, advanced math pathways, and high-quality instructional materials. This work will be reinforced by a focus on maintaining a robust assessment and accountability system to monitor progress, increase equity and transparency and facilitate targeted investments.



3. Data-Driven Workforce Investment

Texas spends more than \$110 billion annually on the state's education-to-workforce pipeline, yet the data used to measure system outcomes has gaps that can slow programmatic improvements. The Tri-Agency Workforce Initiative seeks to better align data-driven education and workforce investments, but more work is needed to optimize this process and drive the systemic reforms necessary to ensure that state investments have the highest possible return on investments for taxpayers, program participants and employers.



4. Focus on At-Risk Texans

Certain populations of Texans — including veterans, former foster children and justice-involved Texans — face unique challenges in getting the support they need to ultimately meet their full workforce potential. Improving data quality to allow for the identification and scaling of successful interventions is a key step toward long-term solutions that will ensure all Texans can share in the state's economic growth.



PIONEERING PATHWAYS

TO HEALTH AND ECONOMIC SECURITY

TEXAS 2036

To ensure our state remains the best place to grow a business and raise a family, Texas 2036 will focus on key drivers that impact cost of living and competitiveness: health care and housing.

The soaring costs of health care and housing have created strong headwinds for the state's future prosperity and risks impacting quality of life. For Texans to live healthy and productive lives, and for Texas businesses to continue to grow, we must tackle the root causes that lead to higher prices.

TEXAS-SIZED CHALLENGES



5 Million

Texans are uninsured, but the majority are eligible for existing programs. **38% of uninsured Texans constantly worry** that they will not be able to get necessary health care because they cannot afford it.

59%

of Texans reported they or someone in their household skipped or postponed care due to costs in the past 12 months, **including more than half of Texans with health insurance.**

The median home price in Texas is approaching

4x

the median income,

a ratio of unaffordability that California reached in 2012. If our state continues on this path, more and more Texans will lose the ability to invest in their families and futures through homeownership.

Texas businesses ranked **rising health care costs** their

#2

fastest growing cost

in 2022, ahead of inflation, raw materials, utilities and taxes.

From February 2020 to July 2023, the median home price in Texas has risen



41% to \$345,000

and lower priced homes are disappearing. In 2022, only 25% of homes in the Texas Triangle sold for less than \$250,000.

THE BIG QUESTIONS

- 1 How can health care markets be revitalized so Texas families can afford the care they need, and Texas employers can provide quality insurance to their employees?
- 2 How can the state better protect Texans from health-related financial instability by increasing the number of residents with health insurance?
- 3 How can the state address supply constraints and regulatory barriers that have caused housing prices to increase at a faster rate than incomes? How can housing-related costs remain a competitive advantage for Texas going forward?

1. Revitalizing Health Care Markets for Healthy Families

Texas 2036 is dedicated to addressing the root causes of skyrocketing health care prices that make health care out of reach for many Texas families and an increasing burden on employers.

Our focus is to identify and develop innovative policy solutions that enhance access to affordable, top-tier health care. By advocating for competitive, informed and engaged health care markets, we are committed to cultivating a healthy Texas where quality care is a reality for every resident.



2. Improving Health Insurance Coverage

Texas leads the nation both in the number and percentage of residents without health insurance, yet millions are likely eligible for free or low-cost insurance options.

Through our landmark “Who are the Uninsured?” project, Texas 2036 is connecting directly with uninsured Texans about the barriers they face in obtaining coverage and the policy solutions that can help many better protect their families from health costs and medical debt.



3. Accelerating the American Dream

Home ownership is vital for middle-class Texans seeking to build a strong financial future, and housing affordability is a key driver of the state’s economic growth and quality of life.

Our approach undertakes an in-depth landscape analysis of housing trends across the state, evaluating the intricacies of the market and their effects on Texans and our future economic competitiveness. With a clear focus empowering middle-class home ownership, our efforts will evaluate market-based and regulatory options that reduce costs, increase supply and address related barriers.



BUILDING BLOCKS

TEXAS 2036

OF THE 21st CENTURY

As we head into the heart of the 21st century, Texas' continued prosperity hinges on the capacity of our infrastructure resources to meet growing needs.

We must act now to improve Texas' water resiliency and security, promote energy expansion, prepare for extreme weather, and embrace technological innovations that can drive future growth.

TEXAS-SIZED CHALLENGES

137%
growth

is expected in the global demand for **hydrogen** between 2020 and 2030 and will accelerate after that.



C-

**Drinking
water**

Texas' water ratings from the American Society of Civil Engineers.

D

**Wastewater
infrastructure**

Texas will need a
\$150 Billion

investment over the next **50 years** to address long-term water supply, aging infrastructure, and flood control and mitigation needs.

The extreme weather report by Texas 2036 and the Office of the State Climatologist **predicts more extreme weather**, including a greater frequency of **drought, flooding and fire**, between now and 2036.

The global market for artificial intelligence is projected to grow over

1,800%

from 2021 to 2030, with significant impacts on government operations.

THE BIG QUESTIONS

- 1 What energy portfolio does Texas need to ensure greater reliability, affordability and lower emissions while contributing to continued economic growth and prosperity?
- 2 How can Texas' water policy deliver the water supplies and management strategies needed for a drought-prone and growing state?
- 3 How will changes in extreme weather patterns, including droughts, floods and wildfires, affect communities' sustainability and access to affordable insurance policies?
- 4 What steps must be taken by state government to ensure emerging technologies, such as artificial intelligence, can transform public services and operations to benefit citizens and businesses while maintaining public safety and trust?

1. Growing Texas' Continued Energy Leadership

Texas 2036's groundbreaking energy expansion research will chart the path to Texas' energy future, modelling the long-term impacts of policy options being weighed by lawmakers.

This state-of-the-art interactive tool invites policymakers, stakeholders and the public to explore diverse scenarios ranging from maintaining the status quo to an all-of-the-above energy portfolio that includes oil and gas, renewables, and hydrogen. As lawmakers weigh complex policy choices, this immersive platform enables us to model and visualize the possible impacts on energy output, economic development, jobs, tax revenues and emissions.

2. Ensuring a Sustainable Water Future

Texas 2036 is at the helm of pioneering efforts, focused on ensuring that we have enough water for a growing, drought-prone state.

Our multifaceted projects center on the critical aspects of state water. This includes developing a sustainable financial strategy for delivering new water supplies and improving aging infrastructure, an actionable state water plan tracker, market-based options to improve efficiency, and cutting-edge research on drought conditions under extreme weather scenarios. By supporting this project, Texas 2036 will proactively shape a sustainable, water-secure future.

3. Preparing for Extreme Weather

Texas 2036 remains at the forefront of ensuring that state policies are responsive to extreme weather trends, including droughts, floods, hurricanes and wildfires.

Drawing on the success of previous research, Texas 2036 will continue to work with the Office of the State Climatologist at Texas A&M to assess how extreme weather patterns will change. Additionally, we are expanding our focus on how these trends may affect home affordability and what steps the state may take to mitigate this.

4. Fostering Technological Innovations

Emerging technology areas like artificial intelligence (AI), space and advanced air mobility can expand the state's robust economic portfolio.

Innovative technologies offer the opportunity to further flex Texas' leadership in technology development, expand job opportunities and even innovate government service delivery. Texas 2036 will work to ensure the state has the policy and regulatory framework needed to lead the nation in 21st century innovation. We will also support the development of the talented workforce needed for future-focused industries to flourish in Texas.

