

## 2024

IMPROVING FUNDING
EFFICIENCIES FOR
CLASSROOM
TO CAREER
PROGRAMS IN
TEXAS



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### **Executive Summary**

More than three in five, or 63%, of jobs in Texas require some postsecondary education, yet only 36% of Texas high school graduates earn a postsecondary credential within six years of graduation.<sup>12</sup> Postsecondary enrollment rates in Texas are currently below where they were five years ago.<sup>3</sup> As a result, individuals who move to Texas are much more likely than Texas-born workers to hold jobs in science, technology, engineering and mathematics (STEM) occupations and management positions.<sup>4</sup>

State lawmakers are making efforts to improve career opportunities for Texas students by finding ways to bridge the gap between the evolving needs of Texas employers and the skills and competencies of the Texas workforce. Legislators have adopted several measures in recent years that improve alignment among state agencies overseeing education programs that provide pathways to good careers by increasing interagency coordination and data sharing.

One opportunity to improve support for innovative classroom-to-career programs in Texas is the expansion of braided funding as a means of maximizing the efficiency of resource allocation. The promise of this approach is demonstrated by the successful outcomes of the Rural Schools Innovation Zone (RSIZ), a collaborative, replicable model for delivering classroom-to-career programs to students that outperforms the state in College, Career, and Military Readiness (CCMR) and other measures.

### In addition to improved funding efficiency, the state has a number of policy opportunities including:

- + Strong governance and additional staffing at the Texas Tri-Agency Workforce Initiative.
- + Improved transparency of funding sources and their allowable uses.
- + Removing barriers to the administration of programs that receive state funds.
- + Providing explicit legislative/legal authority for braided and blended funding.
- + Funding rural innovation.



Georgetown University Center on Education and the Workforce. "After Everything: Projections of Jobs, Education, and TrainingRequirements through 2031." July 2024. Retrieved: https://cew.georgetown.edu/cew-reports/projections2031/

 $<sup>{}^{2}\,</sup>https://tea.texas.gov/about-tea/news-and-multimedia/annual-reports/tea-annual-report-2023.pdf$ 

<sup>3</sup> http://www.txhighereddata.org/index.cfm?objectid=EFF8FAA0-798F-11EE-877D0050560100A9

<sup>4</sup> https://www.dallasfed.org/research/economics/2022/1129

### Texas Student Readiness

Data from the Texas Education Agency (TEA), the state agency responsible for public K-12 education in Texas, indicates that too many Texas students lack the knowledge and skills necessary to succeed in their next grade, much less in the workforce.

#### **Fast Facts**

#### 63%

of jobs in Texas require a postsecondary credential.

#### **Only 56%**

of Texas high school graduates enroll in Texas postsecondary education within a year of graduation.<sup>5</sup>

#### **Only 36%**

of Texas high school graduates earn a postsecondary degree or certification within six years of high school graduation.<sup>6</sup>

#### 32% versus 50%<sup>7</sup>

Texas residents are far less likely than those who move to Texas to hold a four- year degree.



In the class of 2023, 76% of Texas high school graduates demonstrated <u>college</u>, <u>career</u>, <u>or military</u> <u>readiness</u> on one or more indicators.<sup>8</sup> The rate of Texas high school graduates who met Advanced Placement (AP) or International Baccalaureate (IB) criteria in any subject decreased from 21.3% to 20.4%, and the share of graduates completing dual course credits and who were considered "college ready" decreased from 25.9% to 23.6% between the classes of 2021 and 2023.<sup>9</sup>

 $<sup>^5</sup>$ Calculated using aggregated data for graduating classes of 2014, 2015, and 2016. Texas Higher Education Coordinating Board. http://www.txhighereddata.org/index.cfm?objectId=720DF7D0-D97I-11E8-BB650050560100A9

<sup>6</sup> Class of 2015. Texas Education Agency. Annual report. https://tea.texas.gov/about-tea/news-and-multimedia/annual-reports/annual-report

<sup>&</sup>lt;sup>7</sup> Migration to Texas fills critical gaps in workforce, human capital. (n.d.).

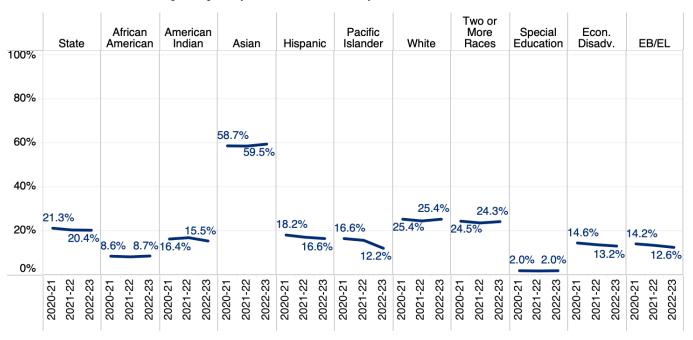
 $<sup>\</sup>underline{\text{https://www.dallasfed.org/research/economics/2022/1129} \#\_\text{text} = \underline{\text{While}\%200nly}\%2032\%20 \ percent \%200f.to\%20American\%20Community\%20Survey\%20data}$ 

<sup>8</sup> https://tea.texas.gov/about-tea/news-and-multimedia/annual-reports/tea-annual-report-2023.pdf (p.3)

<sup>9</sup> https://rptsvr1.tea.texas.gov/cgi/sas/broker?\_service=marykay&\_program=perfrept.perfmast.sas&\_debug=0&lev=5&prgopt=reports/tapr/ccmrsas

#### Annual Graduates Who Meet AP/IB Criteria

#### AP/IB Met Criteria in Any Subject (Annual Graduates)



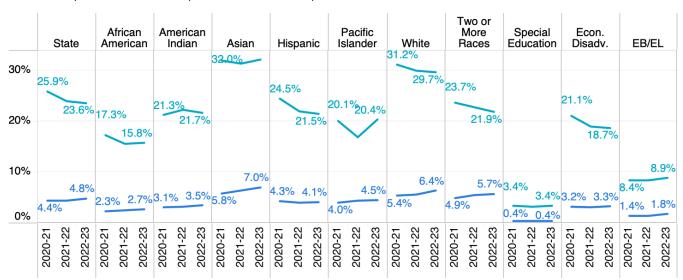
Sources: Texas Education Agency

The share of annual graduates completing dual course credits decreased for the 2023 cohort, relative to the class of 2021. The state rate of graduates earning OnRamps dual enrollment credits increased slightly.<sup>10</sup>

#### **Annual Graduates Who Complete Dual Credit Courses**

#### **Dual Course Credits and Onramps Course Credits**

- Dual Course Credits in Any Subject (Annual Graduates)
- Onramp Course Credits (Annual Graduates)



<sup>10</sup> From TEA: Dual Credit allows high school students to participate in a college course to earn college credit with high school credit earned simultaneously. On the other hand, the OnRamps student receives instruction in two separate courses from two separate instructors—a high school teacher and a university faculty member. https://tea.texas.gov/sites/default/files/Dual\_Credit\_EAO.pdf

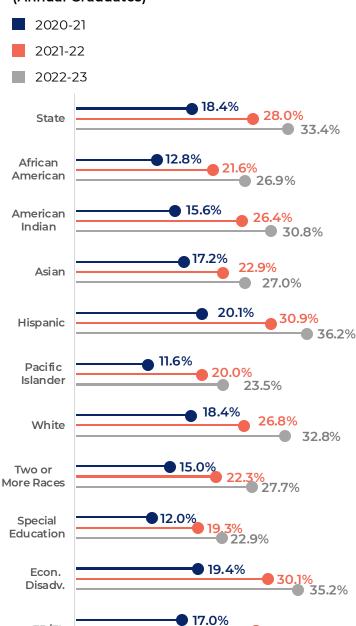
### Share of Graduates Earning Industry-Based Certification

Students who take career-aligned coursework in high school are more likely to see positive outcomes in their careers. Merely enrolling in a series of Career and Technical Education (CTE) courses has proven benefits in postsecondary enrollment. Students who earn industry-based certifications in high school have higher rates of enrollment at two-year colleges immediately following graduation. Additionally, they have higher rates of earning an associate degree, relative to those who do not earn these certifications. In 12

Students who enroll in CTE courses are also more likely to graduate high school, enroll in a two-year college, be employed after high school, and earn more in the year after high school. All of this can have a positive impact on earnings. According to the Labor Market Information Institute, workers in Texas with a certification earn \$356 more per week than their counterparts without a certification.

The share of graduating students earning an approved industry-based certification increased from 18.4% to 33.4% between 2021 and 2023. This growth was recorded across all student subgroups. This two-year growth of 15 percentage points suggests a growing focus on practical skills relevant to the job market.

#### Approved Industry-Based Certification (Annual Graduates)



EB/EL

<sup>&</sup>quot;Young, Carrmilla Faye; Student Perceptions of Career and Technical Education Programs and College Readiness in California, Illinois, and Texas; Gwynedd Mercy University (2022) ("In 2018, Texas had over 826,000 CTE concentrators with a 96% graduation rate (Advance CTE, 2021). 70% of these students eventually went on to pursue post-secondary education (Advance CTE, 2021).")

<sup>&</sup>lt;sup>12</sup> Glennie, Ottem, and Lauff. The Influence of Earning an Industry Certification in High School on Going to College: The Florida CAPE Act. 2020. Journal of Career and Technical Education. https://files.eric.ed.gov/fulltext/EJJ310506.pdf

 $<sup>^{13}</sup> Dougherty. Career and Technical education in High School: \underline{Does It Improve Student Outcomes}?~2016.~Thomas~B.~Fordham Institute.$ 

<sup>&</sup>lt;sup>14</sup> LMI Institute. The Impact of Certifications on Earnings across States and Occupations. 2020.

https://www.lmiontheweb.org/the-impact-of-certifications-on-earnings-across-states-and-occupations/

### Lack of readiness is reflected in Texas students' postsecondary outcomes

#### Postsecondary Enrollment Within one Year of Graduation - Texas Graduates



Sources: University of Texas Education Research Center (ERC); compiled and <u>published by E3 Alliance</u>. Data represents the rate of Texas graduates who enrolled in Texas postsecondary institutions, and  $\underline{\text{Texas Education Agency}}$  for Totals including out of state postsecondary enrollment.

The latest available national data shows that, in 2020, 56% of high school graduates enrolled in postsecondary programs within a year of graduation. Less than half (47%) of Texas high school graduates in 2022 enrolled in Texas-based postsecondary programs within a year of graduation.

Postsecondary enrollment rates increased by two percentage points between 2020 and 2022 for those enrolling in Texas higher education institutions. Those rates, though, still run three percentage points lower than before the pandemic and seven percentage points below 2012 levels. Meanwhile, additional data shows that only 55% of those who immediately enrolled in an institution of higher education in Texas acquired a credential within six years of graduating from high school. <sup>15</sup>

<sup>15</sup> ht tps://data.e3allian.ce.org/postsecon.dary-enrol.lment-profile/p20/CTX/x/p20/TX/

# Current Initiatives to Improve Workforce Readiness

Texas supports a number of classroom-to-career programs that are designed to ensure all Texas students have access to high-quality pathways to careers and higher education. These include statefunded CTE programs as well as state programs that empower students to earn up to 60 college credit hours or an associate degree while they are working toward their high school diploma.

In recent years, the state has adopted several new measures that improve data sharing and resource allocation for education and workforce development. These laws promote common goals, implement outcomes-based financing with an emphasis on workforce readiness, and help close skills gaps to ensure Texans have employment opportunities that pay a family-sustaining wage.

Recent examples include:

#### House Bill 3767 (87-R)

The passage of HB 3767 in the 87th Texas Legislature led to the creation of the Tri-Agency Workforce Initiative to support career-aligned pathways. The initiative is a collaborative effort to improve workforce readiness outcomes for students and meet the needs of Texas employers. It does this by promoting common goals and the alignment of agency data systems among three existing Texas entities: the TEA, the Texas Higher Education Coordinating Board (THECB) and the Texas Workforce Commission (TWC).

The Tri-Agency initiative has identified a series of goals and coordinated interagency strategies that include increasing focus on high-demand occupations that pay a self-sufficient wage, credentials-of-value completion, and expanding opportunities for work-based learning.



<sup>16</sup> Appendix: Statewide Classroom-to-Career Programs

#### The Texas Tri-Agency Workforce Initiative Goals and Strategies 77

Goal	Strategies to Achieve Goal
60% of Texans ages 25-64 will have a degree, certificate or postsecondary credential of value by 2030.	<ul> <li>+ Identify high- and middle-skilled jobs in high-growth fields.</li> <li>+ Define Credentials of Value.</li> <li>+ Define and incentivize efficient pathways for high-demand occupations.</li> <li>+ Increase work-based learning opportunities.</li> <li>+ Develop regional education and workforce partnerships and systems.</li> </ul>
Develop an integrated workforce and data infrastructure with shared governance.	+ Ensure education and workforce systems align with statewide priorities by embracing interagency collaboration to identify shared goals and coordinate funding.
Create a state credential library cataloging credentials of value, industry based credentials (IBCs) and certifications.	+ Integrate data across systems and coordinate research and development efforts across the three agencies.
Create a publicly available data dashboard that showcases education and workforce outcomes.	+ Develop a secure data infrastructure to inform students, educators, workforce stakeholders and policymakers about workforce and education outcomes.

The Tri-Agency initiative coordinates efforts and establishes shared priorities between the TEA, THECB and TWC as they work to ensure that the state's classroom-to-career pipeline leads to career pathways and credentials that align with the demands of the Texas labor market.

<sup>&</sup>lt;sup>17</sup> Texas Education Agency, Texas Higher Education Coordinating Board, & Texas Workforce Commission. (n.d.). Tri-Agency Workforce Initiative Goals and Strategies. https://triagency.texas.gov/wp-content/uploads/2022/04/Tri-Agency-Workforce-Initiative-Goals-and-Strategies. FINAL\_04-30-2022.pdf

#### House Bill 8 (88-R)

HB 8, passed in 2023, overhauled the way Texas funds community colleges to ensure more students are earning postsecondary credentials that have value in the labor market. HB 8 prioritized student outcomes and performance while deemphasizing the old system of awarding funds based on student enrollment and semester credit hour loads.

The outcomes-based funding formula in HB 8 relies on four metrics to reward funding to community colleges.

#### **Performance Tier Formula Funding**

Metric	Description
Credential of Value Attainment	Rewards the attainment of credentials that have proven value in the workforce.
Credential of Value Attainment in High Demand Field	Rewards credentials of value attained in high- demand fields, as determined by labor market data.
Successful Transfer to a Four-Year University	Rewards transfer by a community college student to a four-year university after completion of 15 semester credit hours at a community college.
Dual Credit Course Completion	Rewards secondary school student completion of 15 hours of dual credit.

In addition to adopting an outcomes-based formula for funding, HB 8 also provides financial aid programs for low-income students and makes capacity improvements to help ensure community colleges are positioned to respond to changing workforce needs. <sup>18</sup>

#### House Bill 1755 (88-R)

In 2023, there were over one million jobs listings for middle skills occupations in Texas. According to the Texas Workforce Commission, over six million Texans by 2030, or around 43% of the workforce, will work middle skills jobs — those that require degrees or certifications beyond a high school diploma but less than a four-year degree. <sup>19</sup>

Given the growing employer demand for middle skills jobs in Texas, the Texas Legislature passed HB 1755 in 2023, which created the \$5 million Lone Star Workforce of the Future Fund to increase the supply of qualified workers for entry-level to mid-level jobs in high demand occupations in this state.

The fund provides grants to community and technical colleges and nonprofit organizations that are seeking to create workforce training programs and to provide individuals with the skills they need to fill high-demand, high-growth occupations in the state of Texas.

<sup>&</sup>lt;sup>18</sup> Mikeeddleman. (2023, June 9). Texas House Bill 8 becomes law, paves way for innovative community college funding - Texas Higher Education Coordinating Board. Texas Higher Education Coordinating Board. https://www.highered.texas.gov/2023/06/09/texas-house-bill-8-becomes-law-paves-way-for-innovative-community-college-funding/

<sup>19</sup> Texas Workforce Commission: https://www.twc.texas.gov/news/twc-launches-new-grant-program-invest-texas futureworkforce#~text=According%20to%20TWC's

%20Labor%20 Marketin%20a%20middle%20skills%20occupation

# Expanding Program Access By Improving Funding Efficiencies

As with all publicly-funded programs, workforce development programs are bound by the funding available to support them. Funding for workforce development programs is often provided through multiple agencies and programs with different requirements and purposes. Blended and braided funding are two finance strategies that provide program administrators opportunities to combine funds from multiple sources in order to improve access to and outcomes of these programs.

#### Braided funding and blended funding

Blended and braided funding both involve combining two or more sources (or "streams") of funding to support a single program or activity. Blended funding involves pooling these resources and utilizing them without the individual tracking and reporting on each funding source often legally required for government funds.

With braided funding, programs still combine funds from multiple sources to support a single purpose, but the individual funding streams that are braided together maintain their separate identities and reporting requirements. Managing braided funding therefore requires greater administrative oversight and accountability.



#### Legislative Interest in Expanding Braided Funding

In 2023, the Texas Legislature adopted Budget Rider 51 as part of its biennial statewide budget, directing the Tri-Agency initiative to identify funds that may be streamlined and coordinated to increase the availability of work-based learning (WBL) and apprenticeship programs.<sup>20</sup>

In an effort to show how this interagency collaboration can also provide for efficient use of government resources, the Texas Legislature directed the Tri-Agency initiative to identify interagency grant policies and practices that may be amended to promote braided funding as a method of improving workforce readiness outcomes. They also provided a handful of braided funding strategies that may help enhance the accessibility and availability of workforce programming, including:

- + Eliminating duplicative oversight across grant programs
- + Awarding combined grants to reduce the number of grant applications eligible applicants must submit
- + Using a common application process for applicants who may be eligible for multiple grants

In August 2024, the Tri-Agency initiative released a report outlining funding sources for WBL and apprenticeship programs, with the goal of enhancing coordination of the following federal and state funds to support WBL and apprenticeship opportunities: <sup>21</sup>

- + Federal Strengthening Career and Technical Education for the 21st Century Act
- + Federal Workforce Innovation and Opportunity Act
- + Federal Every Student Succeeds Act

- + Federal Adult Education and Family Literacy Act
- + Registered Apprenticeship Expansion Grants
- + Skills Development Fund (State Fund)
- + Jobs and Education for Texans (State Fund)
- + Self-Sufficiency Fund (State Fund)

#### Challenges of braided funding

Because braiding funds maintains the separate identities and reporting requirements for individual funds, it is often possible without additional statutory authority. But it does require coordination between agencies that are separately and simultaneously delivering services to achieve a shared goal.<sup>22</sup>

Interagency coordination can help overcome some of the challenges that government agencies face when trying to utilize braided funding, including pre-existing incentives that promote program compliance over innovation to achieve better outcomes. Other challenges include existing fragmentation, duplication and overlap of programs that share common goals and serve similar populations.

Fragmented and duplicative programming exist in part because of the way that programs are individually created over time by the Legislature. They fall under the jurisdiction of different agencies or are created to address and serve the needs of different populations. As the Legislature creates new programs without repealing or reforming previous ones, duplication and overlap of programming can occur. This can result in unnecessary and inefficient administrative and funding silos.

<sup>&</sup>lt;sup>20</sup> TWC Riders 51 and 52 in HB1 CCR PP 783-784

<sup>&</sup>lt;sup>21</sup> Texas Workforce Commission. Cross Agency Coordination on Apprenticeship and WorkBased Learning Funding, General Appropriations Act, Article VII, TWC, Rider 51. https://www.twc.texas.gov/sites/default/files/ogc/mtg24/commission-meeting-material-081324-item15-report-cross-agency-coordination-wbl-prog-twc.pdf

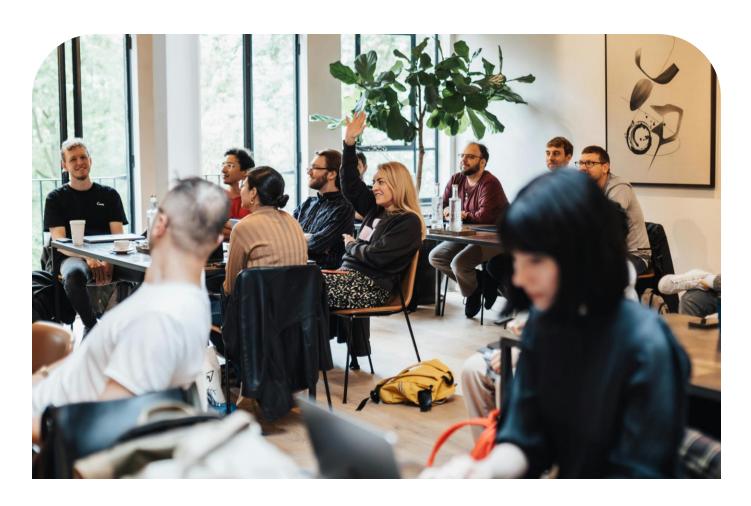
<sup>22</sup> Blending, braiding and sequencing. DOL. <a href="https://www.dol.gov/agencies/odep/program-areas/bbs#:~:text=Braiding%20occurs%20when%20multiple%20funding.this%20specific%20goal%20in%20mind.">https://www.dol.gov/agencies/odep/program-areas/bbs#:~:text=Braiding%20occurs%20when%20multiple%20funding.this%20specific%20goal%20in%20mind.</a>

### A Case Study of Innovation, Collaboration and Braided Funding

Founded in 2019, the Rural Schools Innovation Zone (RSIZ) is a nonprofit organization that oversees a collaborative partnership among five South Texas school districts — Freer Independent School District (ISD), Premont ISD, Brooks County ISD, Agua Dule ISD and Benavides ISD — along with five higher education institutions and regional workforce partners. The goal of the innovation zone is to increase opportunities for students to graduate college- and career-ready by earning college credit, associate degrees, industry-based certifications, and certificates while still in high school.

Students registered in any of the participating districts may attend one of five regional CTE academies while maintaining primary enrollment in their home school and district.

Each academy within the RSIZ is designed to respond to different regional workforce needs and prepare students to enter high-wage careers upon graduation.



#### RSIZ Academies and Partnering Institutions 23

RSIZ Academy	Academic & Career Focus	Higher Ed Partners	Host	Opportunities
Ignite Technical Institute - Career and Technical Academy	Welding, Construction, Electrical	Del Mar College and Texas A&M Kingsville	Falfurrias High School in Brooks County ISD	<ul> <li>+ Dual Credit</li> <li>+ Five Career Pathways</li> <li>+ Four Certificates</li> <li>+ Associate Degree</li> <li>+ Apprenticeships</li> </ul>
Citizen's Battalion Naval JROTC - Career and Technical Academy	Citizen and Leadership Development, Maritime history	Texas A&M Kingsville	Falfurrias High School in Brooks County ISD	+ College Scholarships at 260 Participating Colleges
Next Generation Medical Academy - Health and Science Academy	Health Science Careers, including Nursing and Patient Care Technicians	Del Mar College, Texas A&M Kingsville, Texas A&M International	Freer High School in Freer County ISD	<ul> <li>+ Dual Credit</li> <li>+ Nine Different</li> <li>Certifications or</li> <li>Certificates,</li> <li>including a 5th year</li> <li>L.V.N. Certification</li> </ul>
STEM Discovery Zone - STEM Academy	Computer IT Engineering Oil and Gas	Coastal Bend College, Del Mar College, Texas A&M Kingsville, Texas A&M Corpus Christi	Premont Collegiate High School in Premont ISD	<ul> <li>+ Dual Credit</li> <li>+ Two Career Pathways</li> <li>+ Computer Information</li> <li>+ Technology Level 1 Certificate</li> <li>+ Work-based Learning</li> </ul>
Grow Your Own Academy - Education Academy	Teaching, Learning	Coastal Bend College, Texas A&M Kingsville	Premont Collegiate High School in Premont ISD	<ul> <li>+ Dual Credit</li> <li>+ One Certificate</li> <li>+ Shadowing/Field</li></ul>

 $<sup>{}^{23} \</sup>hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone. The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The Rural Schools Innovation Zone.} \\ {}^{12} \hbox{The RSIZ Academies Overview} - \hbox{The$ 

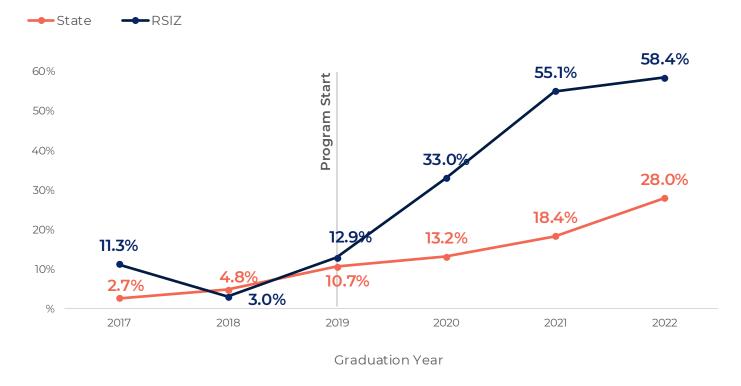
#### **RSIZ Outcomes**

Since its founding in 2019, RSIZ has produced impressive outcomes for students, often significantly outpacing statewide metrics.<sup>24</sup> Between 2019 and 2022, the percentage of students in RSIZ districts graduating with industry certifications increased by 45.5 percentage points. The percentage of graduates designated college, career, or military ready increased from 81.2% to 91.6% — 21.6 percentage points higher than the state average. The percentage of graduates in RSIZ districts who completed a dual credit course skyrocketed from 9% before RSIZ to 58.9% in 2022 — an increase of 49.9 percentage points and over double the state average of 24%.<sup>25</sup>



#### Industry Certifications Earned by RSIZ Students vs. State

#### **Industry Based Certification**

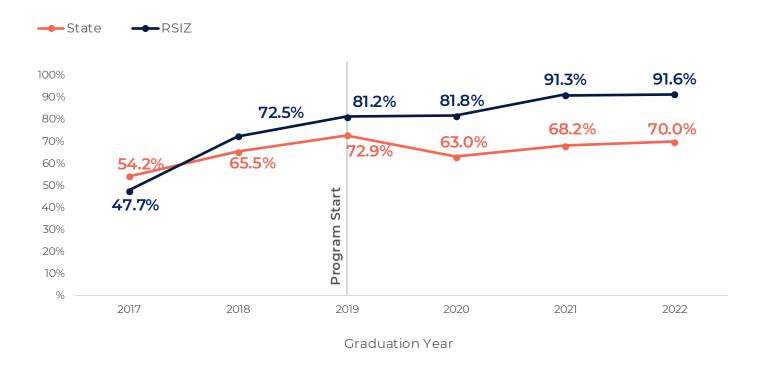


<sup>&</sup>lt;sup>24</sup> Texas 2036's RSIZ outcomes estimates represent an aggregate of all students within the three participating school districts during the period for which data are available: Brooks County, Freer, and Premont ISDs

<sup>25</sup> https://tea.texas.gov/texas-schools/accountability/academic-accountability/performance-reporting/texas-academic-performance-reports

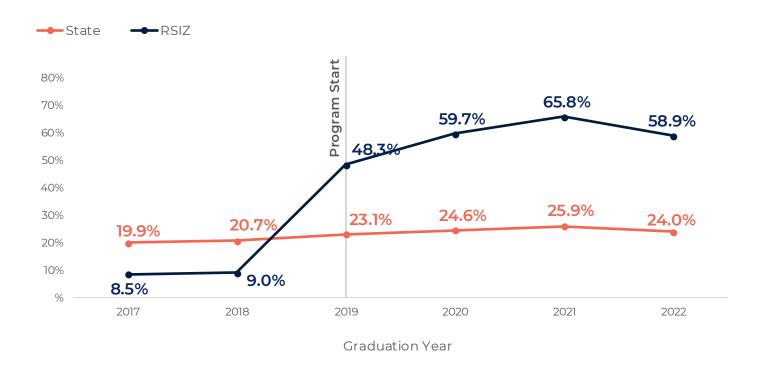
#### **CCMR Score of RSIZ Graduates vs. State**

#### College Career, and Military Readiness

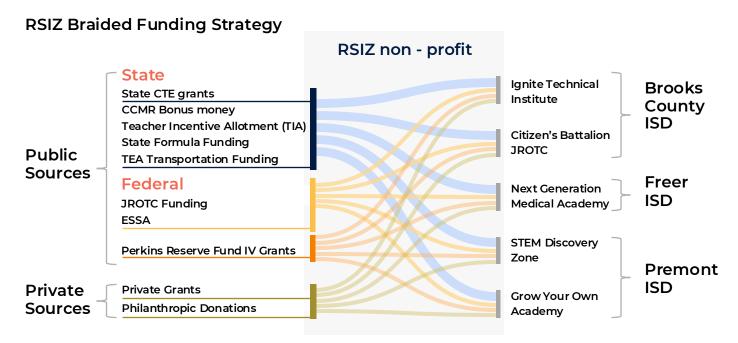


#### **Dual Credit Completion by RSIZ Students Vs. State**

#### **Dual Credit Graduates**



#### The Role of Braided Funding



The RSIZ serves as a successful case study for braided funding. By combining resources — including federal and state funds — the school districts have been able to take advantage of economies of scale to increase the number and diversity of offerings available to students, many of which were previously out of reach for each district independently.

RSIZ start-up costs were primarily funded through federal Every Student Succeeds Act (ESSA) dollars. Each of the school districts participating in the RSIZ applied for and received the funds, ensuring the financial viability of the RSIZ during its startup years. Ongoing financial support for the program comes through an innovative tuition reimbursement system in which participating school districts pay tuition to the RSIZ based on the number of CTE or dual credit hours their students spend at a school partnering with the RSIZ.

At the center of RSIZ's braided funding strategy is the nonprofit entity that coordinates and directs funding for the RSIZ academies. The RSIZ also receives federal Perkins Reserve Fund IV Grants yearly, which range from \$500,000 to \$925,000 per year. The RSIZ also benefits from state CCMR bonuses, which are paid for graduates who demonstrate college, career or military readiness and are generally reinvested back into the RSIZ academies.

In addition to the public federal and state dollars that fund the academies, the RSIZ has sought to shore up summer apprenticeships and workforce programs with philanthropic contributions and private grants.  $^{26}$ 

#### Replicating the RSIZ Model at Scale

Following RSIZ's success, state lawmakers have been exploring opportunities to replicate the model at scale in other regions. In 2023, Gov. Greg Abbott signed HB 2209 (88-R). This bipartisan legislation established the Rural Pathway Excellence Partnership (R-PEP) program to help fund adoption of the model across the state. Per New collaboratives have since developed, including the Permian Basin Innovation Zone (PBIZ) and Falls County Rural Collaborative (FCRZ), with additional R-PEP-designated zones currently under development.

<sup>&</sup>lt;sup>26</sup> Pankovits, T. (2023, June 21). Reinventing Rural Education: The Rural Schools Innovation Zone - Progressive Policy Institute. Progressive Policy Institute. https://www.progressivepolicy.org/publication/reinventing-rural-education-the-rural-schools-innovation-zone/

<sup>27</sup> 88(R) HB 2209 https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB02209F.pdf#navpanes=0

### Policy Opportunities

Meeting the demands of the growing Texas economy requires state action to ensure education programs and regional workforce demands are properly aligned. Fortunately, Texas has several policy options for efficiently allocating funds in ways that can maximize opportunities for secondary and postsecondary credential attainment, ensuring that Texas students graduate career ready or prepared to pursue additional education.

### Support strong governance and additional staffing at the Texas Tri-Agency

- + Establish integrated project management tools and processes to be used for Tri-Agency shared initiatives.
- + Increase dedicated staffing at Tri-Agency.

The successful alignment of the state's education and job training programs with workforce needs requires similar alignment of relevant initiatives across state agencies and other public and private partners. The establishment of the Tri-Agency workforce initiative is a crucial first step. However, to meet the state's workforce needs, Texas employers and education and training providers will need to better direct investments toward effective programs.

One method to achieve this is the establishment of a project management infrastructure and accompanying processes within the Tri-Agency initiative allowing for the kind of financial efficiency afforded by braided funding. Such an infrastructure would enable the Tri-Agency initiative to synchronize budget decisions, leverage numerous funding sources and, ultimately, maximize the state's investments of taxpayer dollars in effective career education and job training programs and support services.

#### Improve visibility of funding sources and their allowable uses

- + Develop a central database of funding sources to increase the visibility of local funding and philanthropic sources.
- + Provide public guidance on all the allowable uses of federal, state and local funds to facilitate funding strategies that increase financial efficiency.

Texas can improve the visibility and understanding of available funding opportunities by mapping the shared eligibility and allowable uses of existing funding sources where there is overlap. The state may also provide access to that information in a publicly accessible database.

### Promote flexibility and eliminate barriers in theadministration of programs that receive state funds.

- + Allow grantees greater flexibility in the use of discretionary funds and existing funding streams.
- + Provide heads of affected state agencies and their leadership the permission to grant and exercise waiver authority.

Program administrators are currently required to submit separate applications and grant monitoring reports for grants funded by different agencies, despite the fact that each grant supports the same program or initiative. Eliminating duplicative grant application processes and grant oversight processes is an important step toward improving efficiency and flexibility. Doing so will encourage the consolidation of funds from separate grants and other sources.

Granting heads of state agencies and their leadership waiver authority, including the power to waive statutory, regulatory and administrative requirements, could also reduce unnecessary administrative barriers.

### Support explicit legislative/legal authority for braided and blended funding.

- + Eliminate separate statutory and regulatory requirements that create administrative silos across state agencies.
- + Streamline accounting records for individual programs if funds are consolidated to support a single program.
- + Continue to prioritize performance outcomes over inputs in assessing program success, consistent with the accountability directives of HB 8.

State agencies have understandably been apprehensive about having shared governance over their respective funding streams, which is typically necessary for braided funding. However, to fully achieve the kind of financial efficiency that braided and blended funding affords, state agencies may consider engaging in a more cooperative and collaborative funding strategy for programs that advance shared objectives.

Additionally, Texas should continue to prioritize the state's transition to an accountability model that looks at performance outcomes in assessing program success.

#### Fund and support successful braided programs.

- + Continue to support and scale the R-PEP model.
- + Increase support for the P-TECH model.

Accelerating the pace of innovation to support strong rural economies should be an important priority for Texas. This can be achieved by supporting education programs that are aligned with regional workforce demands in rural Texas, including the P-TECH and R-PEP models described in the appendix to this report. The state may consider start-up grants to support the expansion of P-TECH across the state as well as continue to support the scalability of R-PEP, a model which promises to replicate the success of the RSIZ program in other rural areas.

#### Conclusion

Successful alignment of the state's education and job training programs with regional workforce demands is imperative to maintaining the Texas Miracle in the coming decades. Doing so will require legislative support for the alignment of programs and priorities among various state agencies, backed by funding transparency and innovative approaches to program service delivery. Braided funding is one approach that can help the state efficiently allocate resources to better achieve this goal.

### Statewide Classroom-to-Career Programs

This chapter provides an up-to-date overview of the statewide classroom-to-career programs available to Texas students. It is intended to serve as a quick reference guide for policy and public service practitioners in Texas who are interested in gaining a better understanding of the landscape of programs the state has designed to improve career-aligned education and workforce pathways in Texas.

#### **Career and Technical Education (CTE)**

Administered by

**Texas Education Agency (TEA)** 



How it is Funded

\$127.6 million in Perkins V federal funding \$3 billion in state funds



Enrollment

1,727,471 secondary students 133.304

postsecondary students

Career and Technical Education programs are designed to provide students with the academic and technical education needed for future success in high-wage careers or high-demand industries in Texas. CTE programs of study include course sequences at the secondary and postsecondary level that may include opportunities for students to earn industry certifications as well as participate in work-based learning. CTE programs provide students with occupation-specific instruction that align academic and skills-based preparation with the needs of local, regional and state economies. CTE programs are designed to lead to the attainment of a postsecondary credential.

In Texas, there are a total of 1,727,471 students enrolled in CTE programs at the secondary level and 133,304 at the postsecondary level.<sup>28</sup> Around 70% of funds are directed to secondary programs and 30% to postsecondary programs. At the secondary level, there is a 97% graduation rate of CTE concentrators, with 40% of those concentrators enrolling in postsecondary education. At the postsecondary level, 52% of CTE concentrators earn a postsecondary credential, certificate or diploma. Another 79% are employed, placed in apprenticeships or join the military within six months of completion.<sup>29</sup>

#### **Funding for CTE**

According to the U.S. Department of Education's Institute of Education Sciences, CTE programs can be more expensive to run than standard academic courses because of their specialized nature. The increased cost is largely driven by the need for specialized equipment (such as medical or automotive equipment), intimate class sizes, which can drive up the cost per student, and the need for additional staff.<sup>30</sup>

<sup>28</sup> ACTE. (2023). The Texas economy is experiencing a skills gap. https://www.acteonline.org/wp-content/uploads/2023/02/Texas-CTE-Fact-Sheet-2023.pdf

<sup>&</sup>lt;sup>29</sup> Texas. Advance CTE. (2023, April 10). https://careertech.org/state-profile/texas/

<sup>30</sup> Inside IES Research | It All Adds Up: Why and How to Measure the Cost of Career & Technical Education. (n.d.). https://ies.ed.gov/blogs/research/post/it-all-adds-up-why-and-how-to-measure-the-cost-of-career-and-technical education#:~text=For%20instance%2C%20CTE%20classes%20often,equipment%20in%20the %20standard%20classroom.

Because federal funding alone cannot fully finance CTE, it is typically supported by a mix of funding from federal, state and local dollars. In Texas, state funding for CTE far exceeds its federal allocation, with the state CTE investment approximately 25 times more than it receives from the federal government. In fiscal year 2022, the state's categorical funding figure for CTE exceeded \$3 billion, which is the largest investment in CTE by any state in the nation.<sup>32</sup>

#### Federal Approaches to CTE Funding

Federal funding for CTE is authorized by the Carl D. Perkins Center and Technical Education Act of 2006 (Perkins IV), as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V).<sup>33</sup> The Act describes a formula for allocating funds based on Census Bureau estimates of the number of youths who reside in a school district, or local education agency (LEA), and the number of youths in the district who live below the poverty line.<sup>34</sup> The 2023 federal allocation for the state of Texas was \$127,681,305.<sup>35</sup> Texas incorporates performance-based measures in its allocation of federal CTE dollars to local education agencies. Performance criteria include CTE completion rates, industry-recognized credential attainment, employment or enrollment in postsecondary education.<sup>36</sup>

#### State Approaches to CTE Funding

State approaches to CTE funding can be divided into three models of funding: foundational, categorical and hybrid funding. Of the three funding models described in the table below, Texas has adopted the categorical funding model with a student-based formula approach in allocating state dollars to school districts and local education agencies (LEAs).

Foundational or	Categorical	Hybrid
General State Funding	Funding	Funding
Under this funding model, CTE is financed by general state aid formulas. No funding is specifically earmarked for CTE programs, CTE enrollment does not affect allocations to local education agencies (LEAs), and local administrators must decide how funds will be allocated.	<ul> <li>Under this funding model, local education agencies (LEAs) receive dedicated funding for CTE programming. Earmarked state funds for CTE are distributed to local programs based on one of the following approaches:</li> <li>+ Student-based formula - Funds are allocated based on the number of CTE students enrolled in a local education agency.</li> <li>+ Unit-based formula - States distribute funds based on the cost of certain inputs (such as pupils, instructors, equipment) required for delivering CTE.</li> <li>+ Cost-based formula - Local education agencies are reimbursed for the cost of providing CTE.</li> </ul>	Under this funding model, states may utilize multiple categorical funding approaches to finance CTE.

<sup>&</sup>lt;sup>31</sup> The State of Career and Technical Education: An Analysis of State Secondary CTE Funding Models. 2023. https://careertech.org/wpcontent/uploads/2023/09/2023 State\_of\_CTE\_Research\_Report\_Advance\_CTE\_pdf

<sup>&</sup>lt;sup>52</sup> Case Study: Texas' Student-Based Approach for Secondary CTE Funding - Advance CTE. (2023, October 2). Advance CTE. <a href="https://careertech.org/resource/2023-state-of-cte-case-study-texas/">https://careertech.org/resource/2023-state-of-cte-case-study-texas/</a>

<sup>33</sup> Perkins V Act. (2018). Advance CTE. https://careertech.org/wp-content/uploads/sites/default/files/PerkinsV September2018.pdf

<sup>&</sup>lt;sup>34</sup> U.S. Department of Education, Office of Career, Technical, and Adult Education. (2014). State strategies for financing career and technical education. https://files.eric.ed.gov/fulltext/ED555236.pdf

<sup>&</sup>lt;sup>35</sup> U.S. Department of Education, Perkins Collaborative Resource Network. (2023) State Allocations. <a href="https://cte.ed.gov/grants/state-allocations">https://cte.ed.gov/grants/state-allocations</a>
<sup>36</sup> U.S. Department of Education, Office of Career, Technical, and Adult Education. (2014). State strategies for financing career and technical education. <a href="https://files.eric.ed.gov/fulltext/ED555236.pdf">https://files.eric.ed.gov/fulltext/ED555236.pdf</a>

Texas school districts are able to receive Foundation School Program (FSP) funding based on the number of hours that students spend in CTE courses. Districts receive 10 to 47 percent more funding for CTE full-time equivalent students than for regular students. Under current Texas law, this means that districts receive:

- + \$6,776 (Basic allotment x 1.1) for a FTE student in CTE courses not in an approved program of study;
- + **\$7,884** (Basic allotment x 1.28) for a FTE student in levels one and two CTE courses in an approved program of study, as identified by the TEA; and
- + **\$9,055** (Basic allotment x 1.47) for a FTE student in levels three and four CTE courses in an approved program of study, as identified by the TEA.

It is important to note that this additional weighted funding is determined by the percentage of the school day that students spend in CTE courses.

Texas also awards outcomes bonuses to LEAs when their students meet state measures for college, career or military readiness (CCMR). Students are declared college ready by meeting certain standards on the Texas Success Initiative Assessment, ACT or SAT and enrolling in postsecondary education following graduation from high school. Their career readiness can also be determined by their scores on the aforementioned exams in addition to earning an industry-based credential (IBC) or level I or II certificate.

#### CCMR bonuses are weighted differently for different student groups:

- + **\$3,000** per non-economically disadvantaged student, or
- + \$5,000 per economically disadvantaged student, and 37
- + **\$2,000** per special education student

In addition to the formula funds and bonuses described above, the TEA provides transportation allotments to school districts for expenses related to transporting students to and from CTE courses. TEA also aims to provide free industry-based certification opportunities by reimbursing school districts for students who pass IBC certification exams.<sup>38</sup>

<sup>&</sup>lt;sup>37</sup> CCMR Outcomes Bonus Report. Texas Education Agency. 2023. https://tea.texas.gov/texas-schools/accountability/academic-accountability/performance-reporting/ccmr-ob-one-pager-janurary-2023.pdf

<sup>38</sup> Case Study: Texas' Student-Based Approach for Secondary CTE Funding - Advance CTE. (2023, October 2). Advance CTE. https://ctek12funding.careertech.org/wp-content/uploads/2023/09/Advance\_CTE\_2023\_State\_of\_CTE\_Case\_Study\_TX.pdft

#### **Dual Credit and Dual Enrollment**



Administered by

Texas Education Agency (TEA), Texas Higher Education Coordinating Board (THECB)



How it is Funded

State Formula Funding State Grants (TPEG, TEOG)



**Enrollment** 

186.341 Students 39 40

Dual credit is not a separate program offering but rather a feature of a number of programs outlined in this survey, such as the P-TECH, Texas Science Technology Engineering and Mathematics (T-STEM) and Jobs and Education for Texans (JET) programs. A high school student may earn dual credit by enrolling in college-level coursework for which they receive both high school and college credit. <sup>41</sup> Earning dual credit enables students to experience the rigor of college-level coursework while still in high school. It also gives students the opportunity to transfer credits they earned in high school on enrollment in a college or university, potentially shortening the time it takes for them to complete their degree or obtain a certificate. There are three types of dual credit course offerings, including core academic courses, career and technical education courses, and foreign languages courses. Each of these course types may be applicable to the attainment of an associate or baccalaureate degree. To be eligible to participate in a dual credit course, a student must earn a minimum score on the Texas Success Initiative (TSI) college-readiness assessment or an alternative, such as the STAAR, ACT, PSAT or SAT. <sup>42</sup>

There are multiple sources of financing for dual credit courses, including grants and state funding provided to both school districts and colleges to deliver dual credit opportunities to high school students. Participation in dual credit courses counts toward the instructional hours required to be regarded as an FTE in average daily attendance, impacting the state's appropriation to school districts. Community colleges also receive state funding for students taking dual credit courses, and in turn may waive student fees for participation in dual credit courses. Additionally, Gov. Greg Abbott recently announced a series of dual credit grants provided to five Independent School Districts by the Texas Workforce Commission as part of its Skills Development Fund to support, improve and expand CTE program offerings. <sup>43</sup>

<sup>&</sup>lt;sup>39</sup>Decker, B. (2023, June 16). The importance of dual credit for Texas community colleges Data Science. <a href="https://www.tamus.edu/data-science/2023/06/15/importance-of-dual-credit-for-texas-community-colleges/#:~text=The%20Texas%20Higher%20Education%20Coordinating.at%20Texas%20public%20community%20colleges/#:~text=The%20Texas%20Higher%20Education%20Coordinating.at%20Texas%20public%20community%20colleges.

<sup>40</sup> Concurrent/Dual credit fall enrollment by higher education institution type report Parameter selection | TPEIR.

 $<sup>\</sup>label{lem:https://www.texaseducationinfo.org/PickList.aspx?Page=Dual+Credit&ReportName=tpeir.\ hed.\ enroll.\ dualCredit&PickList=Report+Year&SubList=No&Title=Concurrent%2FDual+Credit+Fall+Enrollment+by+Higher+Education+Institution+Type&Graph=N&from=Home%2FTopic%2FDual+Credit\\$ 

 $<sup>{}^{41}\</sup>underline{\text{Texas Education Agency. Dual credit. https://tea.texas.gov/academics/college-career-and-military-prep/dual-credit}$ 

<sup>42</sup> Dual Credit Frequently asked questions. (2019). https://tea.texas.gov/sites/default/files/Dual\_Credit\_FAO.pdf

Press Release. Office of the Governor. https://dingo.telicon.com/library/2023103189.PDF

<sup>&</sup>lt;sup>43</sup> Press Release. Office of the Governor. https://dingo.telicon.com/library/2023103189.PDF

Dual Enrollment, by contrast, refers to a system in which a student is enrolled in more than one educational institution simultaneously and earns appropriate credit for the coursework completed at each institution in which the student is enrolled. Dual enrollment is not the same thing as dual credit, which instead describes a situation in which a high school student enrolls in a course and receives credit for the course that is recognized by both a college and the student's high school. <sup>44</sup> The OnRamps program described in this chapter is one example of dual enrollment in both high school and a college-credit earning course. However, dual enrollment may also refer to a scenario in which a student is enrolled both in a college and other institution of higher education, such as a university. <sup>45</sup>

#### Early College High School (ECHS)



Administered by

**Texas Education Agency (TEA)** 



How it is Funded

State Funding (Not Protected)



Enrollment

65,000 Students 46

Texas' Early College High Schools (ECHS) allow students to concurrently earn a high school diploma and up to 60 college credit hours or an associate degree. Tuition-free, ECHS are open-enrollment high schools that target historically underserved students who might otherwise not see a pathway to college enrollment.<sup>47</sup>

According to the Texas Education Agency (TEA), Texas is home to over 180 ECHS campuses that serve more than 65,000 students. American Institutes for Research indicates that the ECHS per-student cost is around \$3,800 more than regular high schools but ECHS enrollment appears to be particularly impactful.<sup>48</sup> Students enrolled in an ECHS program are significantly more likely than similarly positioned non-ECHS peers to enroll in college and eventually earn a college degree, translating into an additional \$33,000 to \$34,000 in lifetime earnings per ECHS student.<sup>49</sup> The 86th Texas Legislature allocated \$3,000,000 per year for FYs 2020 and 2021 to support ECHS programs.<sup>50</sup> Continued support, but not protected funding, for ECHS was outlined in the 2024-2025 state budget.<sup>51</sup>

<sup>44</sup>Texas Administrative Code. https://texreg.sosstate.tx.us/public/readtac\$ext.TacPage?sl=R&app=2&p\_dir=&p\_rloc=197065&p\_tloc=&p\_ploc=&pg=1&p\_tac=197065&ti=18&b=4&rl=&83&dt=&7\_cbk=2805964&7\_contains=

<sup>45</sup> Texas Education Agency. (2020). Dual Credit Frequently asked questions. https://teatexas.gov/academics/college-career-and-military-prep/dual-credit-fag-tea-4.28.2020.pdf#page15

<sup>46</sup> Texas Education Agency. Early College High School (ECHS). https://teatexas.gov/academics/college-career-and-military-prep/early-college-high-school-echs

<sup>47</sup> ECHS - Texas CCRSM. https://www.texasccrsm.org/models/echs

<sup>48</sup> Evaluating the impact of early college high schools. (2024, March 18). American Institutes for Research. https://www.air.org/project/evaluating-impactearly-college-high-schools

<sup>&</sup>lt;sup>49</sup>Song, M., Zeiser, K., Atchison, D., & De Los Reyes, I. B. (2021). Early College, Continued success Longer-Term impact of early college high schools. Journal of Research on Educational Effectiveness, 14 (1), 116–142. https://doi.org/10.1080/19345747.2020.1862374

<sup>50</sup> General Appropriations Act, 86th Texas Legislature. https://capitol.texas.gov/tlodocs/86R/billtext/odf/HB00001F.pdf#navpanes=0

<sup>51</sup> General Appropriations Act, 88th Texas Legislature https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB00001Fpdf#navpanes=0

#### Jobs and Education for Texans (JET) Grant Program



Administered by

Texas Workforce Commission (TWC)



The JET program provides grants to public community, state and technical colleges in Texas, as well as Texas ISDs and charter schools that have partnered with junior or technical colleges, for the purchase and installation of equipment necessary to carry out CTE programs. As stated above, CTE programs enable students to acquire certificates or postsecondary credentials that lead to occupations in high-demand, high-wage industries in Texas.

According to the Texas Workforce Commission, for the FY 2024-2025 Biennium, the Texas Legislature allocated \$30 million to community, technical and state colleges, Texas ISDs and open-enrollment charter schools for the JET Program. <sup>53</sup> This is in addition to the \$50 million in 2021 COVID relief dollars that were awarded to Texas ISDs and open-enrollment charter schools to fund JET. Grants awarded to ISDs are designed to enhance CTE or dual credit offerings within the school district or may be used to defray CTE program start-up costs. To be eligible to receive a JET grant, ISDs and public colleges must provide matching funds, which can be obtained from a wide variety of sources including industry associations or community and foundation grants.

#### **OnRamps**



Administered by

**University of Texas** 



How it is Funded

\$2,879,952

in State Funding



Enrollment

**41,000** Students

OnRamps is a University of Texas dual enrollment initiative that offers the opportunity for high schoolaged students to gain college credit and be issued a UT transcript.<sup>54</sup> Through college credit-earning courses, students prepare for college-level coursework and lower the barriers for college degree attainment. OnRamps is offered in 195 Texas school districts, with a current 2022-23 year enrollment of over 41,000 students. UT OnRamps offers over 17 dual enrollment courses, spanning science, technology, math, arts, and the humanities. For the 2024-2025 biennium, OnRamps received \$2,879,952 in state funding per year.<sup>55</sup>

54 OnRamps, (2024, March 28), OnRamps at the University of Texas at Austin, https://onramps.utexas.edu/

<sup>55</sup> General Appropriations Act, 88th Texas Legislature. https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB00001F.pdf#navpanes=

#### **Opportunity High School Diploma Program**

Administered by

Texas Workforce Commission (TWC)
Texas Higher Education Coordinating Board (THECB)
Texas Education Agency (TEA)



How it is Funded

**State Funding for Community Colleges** 



**Enrollment** 

N/A (Program still being implemented)

Established by HB 8 in the 88th Texas Legislature, the Opportunity High School Diploma program provides a path for high school diploma attainment by adults concurrently enrolled in a workforce education program at a community college. The program will allow adults enrolled in a workforce education program at a community college to concurrently enroll in a competency-based education program that will lead to the attainment of a high school diploma. Community colleges interested in offering and being approved for an alternative high school diploma program must submit their proposal to the Texas Higher Education Coordinating Board for approval. Funding mechanisms for this program to encourage participation will be decided jointly between the Coordinating Board and Texas Workforce Commission and may include grants, interagency contracts, financial aid and subsidies. A maximum of five community colleges may participate in the program and participating colleges are entitled to funds from the state appropriation for community colleges. <sup>57</sup>

#### Pathways in Technology Early College High School (P-TECH)



Administered by

Texas Education Agency (TEA)



How it is Funded

State Formula Funding



Enrollment

10,000+ Students 58

<sup>56</sup> Texas Legislature. H.B.ANOA8. In Education Code. https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB00008F.pdf#navpanes=0

<sup>57</sup> EDUCATION CODE CHAPTER 130. JUNIOR COLLEGE DISTRICTS. https://statutes.capitol.texas.gov/Docs/ED/htm/ED.130.htm#130.003

<sup>58</sup> Texas Education Agency. Pathways in Technology Early College High School (P-TECH). https://teatexas.gov/academics/college-career-and-military-prep/pathways-in technology-early-college-high-school-p-tech-0#:~text=Nearly%206%2C50 0%20students%20 are%20 served the %202019%2D2020%20academic%20 year

The P-TECH model is a public-private partnership initiative originally created by IBM that allows enrolled students to earn both high school and college credit simultaneously. As open-enrollment programs designed to target students least likely to attend college, P-TECHs offer a variety of pathways to postsecondary credential attainment, including earning up to 60 college credit hours, an associate degree or an industry-based certification. To deliver these opportunities, P-TECH programs partner with institutions of higher education and local and regional businesses and industries to connect students with internships and workforce-based learning opportunities or training.

There are multiple streams of entitlement funding for students enrolled in P-TECH programs. Firstly, districts receive \$50 per student enrolled at a P-TECH designated campus. In addition to this funding, districts receive 10 to 47 percent more funding for **CTE full-time equivalent students** than for regular students. Under current law, this means that districts receive:

- + (Basic allotment x 1.1) for an FTE student in CTE courses not in an approved program of study;
- + (Basic allotment x 1.28) for an FTE student in levels one and two CTE courses in an approved program of study, as identified by the agency; and
- + (Basic allotment x 1.47) for an FTE student in levels three and four CTE courses in an approved program of study, as identified by the agency.

Additional weighted funding is determined by the percentage of the school day that students spend in CTE courses.

The 86th Legislature allocated \$4 million in general revenue funds per fiscal year to support P-TECH programs. In the 2024-25 biennium, \$4.5 million was allocated per fiscal year to support P-TECH programs that meet ECHS requirements and offer dual credit opportunities, counseling and support services. <sup>60</sup>

#### Rural Pathway Excellence Partnership (R-PEP) Program

Administered by

Texas Education Agency (TEA)



How it is Funded

\$5 million per year in state funding



Enrollment

450+ Students

<sup>&</sup>lt;sup>59</sup> Texas Education Agency. (n.d.-d). Pathways in Technology Early College High School (P-TECH). https://teatexas.gov/academics/college-career-and-military-prep/pathways-in-technology-early-college-high-school-p-tech

<sup>🕫</sup> General Appropriations Act, 88th Texas Legislature. https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB00001Fpdf#navpanes=0

The Rural Pathway Excellence Partnership (R-PEP) program was established by HB 2209 in the 88th Legislature. The program provides an opportunity for eligible school districts in rural areas of the state to partner with other school districts to offer underserved students college and career pathways that align with high-wage, high-demand careers. To be eligible to participate in the R-PEP program, a rural school district must have fewer than 1,600 students in average daily attendance and must partner with at least one other district that is less than 100 miles away. R-PEP programs receive grants for the purpose of planning, establishing and expanding R-PEP programs. Funding is also provided through an adjusted formula that accounts for the basic allotment plus an allotment tied to district size or the status of participating students as educationally disadvantaged. R-PEP programs are also eligible to receive CCMR outcomes bonuses of \$1,500 for educationally disadvantaged graduates, \$750 for graduates who are not educationally disadvantaged and \$1,500 for graduates enrolled in a special education program. However, total state funding for this program for allotments and outcomes bonuses is capped at \$5 million per year, or \$10 million per biennium.

#### **Rural Schools Innovation Zone (RSIZ)**

#### https://www.thersiz.org/



Administered by

**RSIZ (Nonprofit Organization)** 



How it is Funded

Tuition Reimbursement <sup>63</sup>
State Grant and Formula Funding
Private Grants/Philanthropy
Federal Perkins Reserve IV Grants



Enrollment

467 Students

The Rural Schools Innovation Zone (RSIZ) began in 2019 as a cross-district collaborative of three rural school districts in South Texas to enhance student opportunities for postsecondary success.<sup>64</sup> It has since grown to include five rural schools districts and five RSIZ Academies that make college and career pathways available to any RSIZ student residing in one of the districts.<sup>65</sup> The five school districts that have partnered together include Agua Dulce ISD, Benavides ISD, Brooks County ISD, Freer ISD and Premont ISD. The five RSIZ Academies that make up the zone's offerings include Ignite Technical Institute - Career and Technical Academy, Next Generation Medical Academy - Health and Science Academy, STEM Discovery Zone - STEM Academy, Grow Your Own Educator Academy, and Citizen's Battalion Naval JROTC Academy. Each of these academies partners with colleges and universities, including Del Mar College, Texas A&M Kingsville, Texas A&M International, Coastal Bend College, and Texas A&M Corpus Christi.

<sup>&</sup>lt;sup>61</sup> Texas Legislature on line - 88(R) history for HB 2209. https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=HB2209

<sup>&</sup>lt;sup>62</sup> The Texas Education Agency, & Division, G. R. (2023). Briefing Book on Public Education Legislation. https://tea.texas.gov/about-tea/government-relations-and-legal/government-relations/tea-88th-briefing-book.pdf

 $<sup>^{63} \</sup> Pankovits, T.\ \&\ Progressive\ Policy\ Institute.\ Reinventing\ Rural\ Education: The\ Rural\ Schools\ Innovation\ Zone.\ \underline{https://files.eric.ed.gov/fulltext/ED633199.pdf}$ 

<sup>&</sup>lt;sup>64</sup> The Rural Schools Innovation Zone. The Rural Schools Innovation Zone. <a href="https://www.thersiz.org/">https://www.thersiz.org/</a>

<sup>65</sup> The RSIZ Academies Overview — The Rural Schools Innovation Zone. (n.d.-b). - The Rural Schools Innovation Zone. https://www.thersiz.org/rsiz-academies

A TEA grant provided initial funding for some of the academies. They have received additional funding from various sources, including TEA's School Action Fund, Career and Technical Education (CTE) grants, and the School Transformation Fund.

#### **Texas College Bridge**



Administered by

**Texas Education Agency** 



How it is Funded

Federal ESSER Funds



**Enrollment** 

115,000 Students 66

Texas College Bridge is a program of self-paced, college preparatory courses offered to Texas high school juniors and seniors in math and English to help them meet the CCMR benchmark in these subjects. The courses are delivered entirely online and designed to be tailored to the individual student's needs to ensure postsecondary success. The Texas College Bridge program provides an exemption from the TSI Assessment, which was mandated by the 86th Legislature to assist colleges and universities in determining college readiness of incoming students in math and English subjects. Students who fail to meet this readiness requirement are required to co-enroll in remedial (developmental) courses upon entering college. Successful completion of the Texas College Bridge program exempts students from this TSIA at 90 colleges and universities across Texas and potential subsequent enrollment of underprepared high school graduates in Developmental Education courses.

Texas College Bridge is supported by grant funding from the Texas Education Agency through the Elementary and Secondary School Emergency Relief Fund (ESSER). Grants have ranged from \$3 million to \$4 million and primarily go toward covering the cost of course licensing fees.

<sup>66</sup> January Updates from Texas College Bridge. (n.d.). Texas College Bridge. https://myemail-api.constantcontact.com/January-Updates-from-Texas-College-Bridge.html?soid=1134575330786&aid=rASPm3-7ZXA

<sup>67</sup> Texas College Bridge. https://texascollegebridge.org/

<sup>&</sup>lt;sup>68</sup> Texas Education Agency. The TSIA (Texas Success Initiative Assessment). <a href="https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#">https://teatexas.gov/academics/college-career-and-military-prep/the-tsia-texas-success-initiative-assessment#</a>

<sup>&</sup>lt;sup>69</sup> Developmental Education - Texas Higher Education Coordinating Board. (2023, December 19). Texas Higher Education Coordinating Board. https://www.highered.texas.gov/our-work/supporting-our-institutions/institutional-resources/developmental-education/

### Texas Science Technology Engineering and Mathematics (T-STEM) Initiative



Administered by

Texas Education Agency (TEA)



How it is Funded

State Funding (Not Protected)



Enrollment

**47,000** Students 70

T-STEM is a dual credit open-enrollment secondary school offering designed to increase the percentage of students entering the workforce in pursuit of STEM careers. STEM is an abbreviation for science, technology, engineering, and mathematics. There are over 95 designated T-STEM Academies in Texas.<sup>71</sup> T-STEM is part of the network of programs that exist under the Texas College and Career Readiness School Model umbrella and, as such, targets historically underserved, economically disadvantaged and at-risk youth who may otherwise not attend college. A T-STEM academy may be located on a college or high school campus, as a standalone school or within a larger high school, or may be offered at a separate CTE center. The 86th Legislature allocated \$1.5 million in General Revenue per year to support T-STEM programs across the state.<sup>72</sup>

In the 2024-2025 state budget, lawmakers included \$8,075,000 in General Revenue for College and Career Readiness School models, but excluded funding specifically for T-STEM programs. T-STEMs were folded into another type of college, career, and military readiness program — P-TECH — and the T-STEM program was discontinued.

<sup>&</sup>lt;sup>70</sup> Texas Education Agency. Texas Science, Technology, Engineering and Mathematics Initiative (T-STEM). <a href="https://teatexas.gov/academics/college-career-and-military-prep/fexas-science-technology-engineering-and-mathematics-initiative-t-stem#:~text=Nearly%2047%2C000%20students%20are%20served.2019%2D2020%20academic%20school%20vear.

Texas Education Agency. Texas Science, Technology, Engineering and Mathematics Initiative (T-STEM). https://teatexas.gov/academics/college-career-and-military-prep/texas-science-technology-engineering-and-mathematics-initiative-t-stem

<sup>72</sup> General Appropriations Act, 86th Texas Legislature. https://capitol.texas.gov/tlodocs/86R/billtext/pdf/HB00001F.pdf#navpanes=0

<sup>73</sup> General Appropriations Act, 88th Texas Legislature https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB00001F.pdf#naypanes=0

