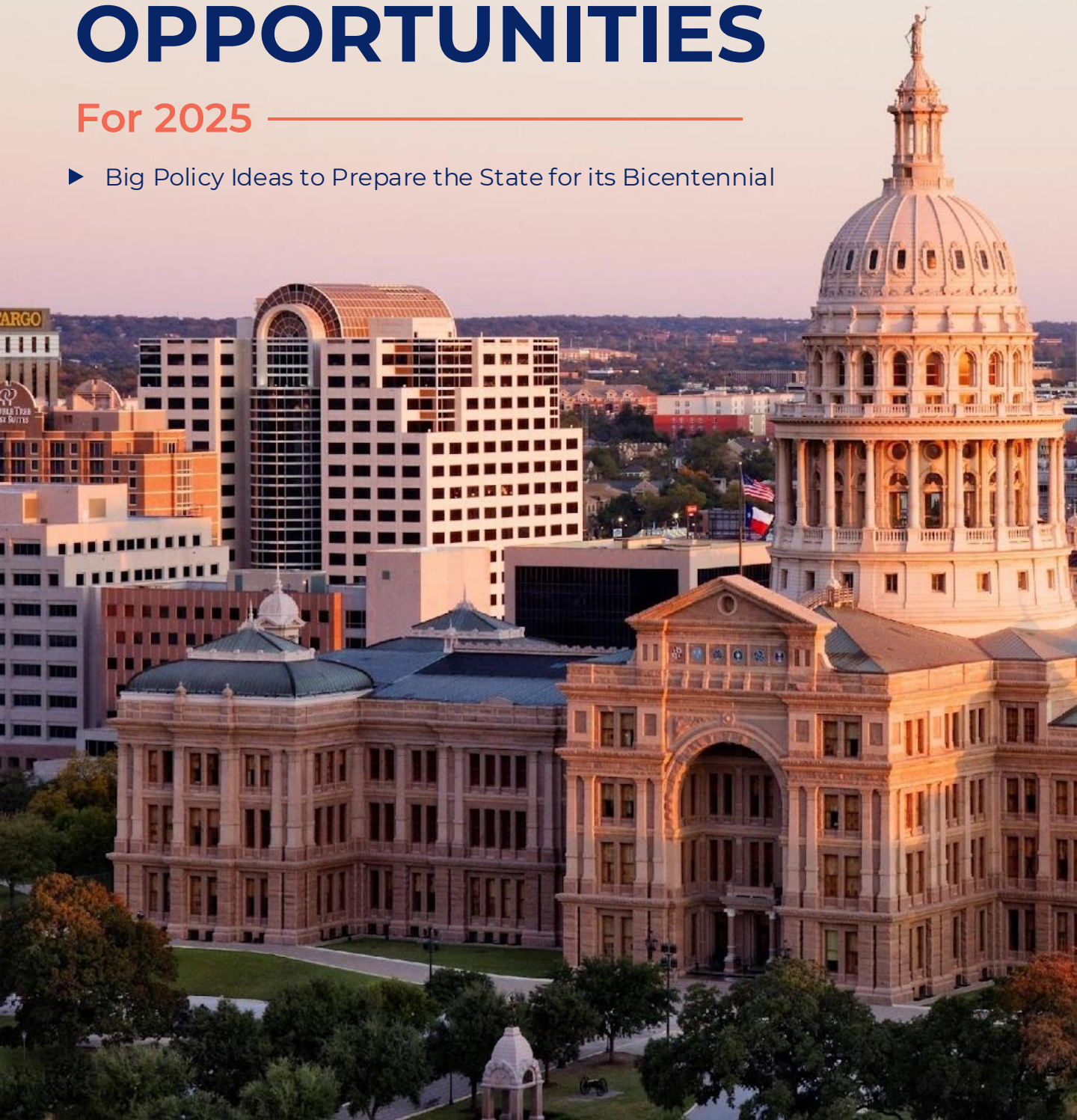


TEXAS²⁰₃₆

TOP POLICY OPPORTUNITIES

For 2025

- Big Policy Ideas to Prepare the State for its Bicentennial





EDUCATIONAL OUTCOMES

1. **Improve Quality of Instruction** by better strengthening, resourcing, and compensating Texas teachers. Texas should also pursue policies that ensure students have access to a variety of high-quality, data-informed strategies and tools with a proven track record of results.
2. **Accountability And Assessment** remain among the state's primary tools for ensuring that students of all races, incomes, and zip codes have equitable access to a high-quality education.
3. **Increase Access to Career-Aligned Coursework and Credentials of Value** so more students are graduating ready for workforce or postsecondary success.
4. **Improve the quality of mathematics instruction** to prepare students with the math skills needed to be successful and competitive in the 21st century.

21%

of Texas voters believe that Texas students are graduating high school ready to immediately enter the workforce and succeed in the future economy

12.2%

is the teacher attrition rate from the 2023-24 school year

5yrs

Texas has not had a full accounting of the effectiveness of its schools for the past 5 years.

41%

of Texas students achieving grade level proficiency in mathematics

WORKFORCE ALIGNMENT

1. With the reform of **Community College Finance** formulas during the 88th Session, the state should focus on increased investment in the new system to ensure institutions are rewarded for increasingly achieving outcome incentives created by that legislation.
2. Texas has the opportunity to **significantly increase the number of workforce credentials earned in high school**, particularly in rural schools, by expanding the accessibility of P-TECH and R-PEP programs.
3. The state should continue its commitment to the **Tri-Agency Workforce Initiative**, which builds the data and cross-agency infrastructure toward long-term alignment of the state's education and workforce systems.
4. Unemployment and recidivism among formerly incarcerated Texans are significant problems that affect the state's fiscal, economic, and public safety goals. Texas should support efforts to **improve access and quality of post-secondary programming at TDCJ facilities**.

63%

of jobs in Texas will require postsecondary training by 2031

91%

of Texas voters agree that all Texas high school students should have access to workforce training or credential programs that provide a certification which allows them to graduate ready to compete for good-paying jobs

<1/3

less than a third of Texas high school graduates earn a post-secondary credential within six years of graduation.

43%

lower odds of recidivating when inmates participate in correctional education programs



Our Workforce of the Future policy efforts are divided into two main workstreams:

(1) improving academic readiness and student outcomes in our PK-12 system, and (2) strengthening and aligning postsecondary and workforce systems with PK-12 to improve workforce outcomes and meet workforce needs. The combined goal of these efforts is to ensure Texans have the education and skills necessary to pursue a productive career and earn a family-sustaining wage in the evolving economy of tomorrow.

Improving Academic Readiness

- Improve the Quality of Mathematics Instruction
- Strengthen the Teacher Workforce
- Strengthen Early Education Supports, Instruction and Interventions
- Assure Effective Assessment and Accountability
- Implement and Expand High-Quality Instructional Materials
- Increase Access to High-Quality Tutoring
- Ensure School Funding Promotes Equity and Improves Student Outcomes
- Support High-Quality Public Charter Schools

Strengthening College and Career Pathways

- Increase Access to Rigorous, Postsecondary and Career-Aligned Coursework and High School Attainment of Valuable Credentials
- Improve Student Access to Virtual Learning and Other Innovative Learning Models

Postsecondary Workforce Alignment and Efficiency

- Prioritize Career Outcomes and Economic Mobility in the Newly Reformed Community College Finance System
- Incentivize Attainment of and Strengthen the Baseline for Credentials of Value
- Ensure K-12, Postsecondary and Workforce Systems are Agile and Equipped to Meet Texas Workforce Needs of the Near- and Long-Term Future
 - Improve the Alignment of Funding Incentives Across K-12, Postsecondary, and Workforce Systems
 - Improve Workforce Data Infrastructure
 - Pursue Cross-Agency Programmatic Integration and Funding
- Improve Dual Credit Completion and Transfer
- Ensure Stackability of Credentials
- Create a Long-Term, Consistent Funding Stream for Capital Projects at Technical Colleges

Access to Economic Mobility

- Promote Family-Sustaining Wage Attainment as a Goal of State Education and Workforce Programs
- Increase Access to Reskilling and Upskilling Opportunities
- Increase Employer-Led Education Opportunities
- Improve Recognition of Prior Learning and Competency-Based Education Models
- Expand Skills Attainment and Skills-Based Hiring

Expanding Educational and Post-release Opportunities for Formerly Incarcerated Texans

- Improve Higher Education Access and Completion in Prisons
- Improve Prospects for Employment Success for Formerly Incarcerated Texans



AFFORDABLE HEALTHCARE

1. Texas should pursue an **“all options on the table” strategy for increasing the number of insured Texans**, including increasing current eligibility thresholds for low-income Texans, and improving take-up among eligible, but unenrolled Texans.
2. Texas must capitalize on the transparency revolution, **ensuring price transparency is meaningful for patients and payors**. Complex incentives must be aligned through a healthy, competitive market that rewards providers for delivering high-quality, low-priced care, and empowers patients to utilize them.
3. Texas has an opportunity to improve rural access to primary care in shortage areas by **expanding practice options for nurses and pharmacists**.

16%

of Texans are uninsured, but 40% of those qualify for a free plan

87%

of Texans are concerned about private equity groups influencing medical decisions

75%

of Texans want the state government to more actively regulate health care mergers

CHILD CARE

1. **Child Care Needs Better Data** that is consistent, high-quality, easily accessible, and regularly updated so the state can better identify issues of childcare access and affordability while also targeting solutions.
2. **Coordinating State Oversight of Child Care** with a single state agency could improve effective regulation within the industry.

1.5
million

children under the age of five reside in Texas

\$9
billion

accounts for Texas' economic loss every year due to inadequate childcare

\$8,718

average annual cost of childcare for toddlers in Texas

HOUSING AFFORDABILITY AND SUPPLY

1. Texas should **maintain its competitive edge in housing affordability** by reducing administrative hurdles to development, embracing innovation and best practices in construction, allowing diverse arrays of housing types to be built and maximizing property rights.

40%

of home construction cost is due to regulation

84%

of Texas voters agree that homeowners should have the right to build an additional home on their own property



Our north star in our Foundations for Prosperity policy is that every Texan has access to the essential goods and services they need, when they need them, at a price they can afford. This is true whether that is the ability to obtain the health care, accessible and high-quality childcare, and housing that supports every type of family in any area of Texas. While these goals sound simple, the challenges we face in this area are complex. While the challenge is great, so is the opportunity. Because of the growing bipartisan recognition that these systems aren't working well, there is a chance for real, impactful reforms.

Affordability and Transparency of Health Care

- Expand and Improve Enforcement of Transparency Requirements
 - Expand Existing Price Transparency Requirements
 - Improve Enforcement of Existing Price Transparency Requirements
 - Increase Transparency by Providing Patients with Enforceable Advance Price Estimates
 - Increase Transparency by Removing Statutory Barriers to Providing Patients with Quality Information
 - Increase Transparency by Requiring Honest Billing to Reduce Inappropriate Facility Fees
 - Increase Transparency by Supporting and Funding the APCD
- Improve Market Competition in Health Care by Aligning Incentives, Increasing Supply, and Addressing Anti-Competitive Practices by
 - Expanding Protections for Smart Shoppers
 - Prohibiting Anti-Competitive Practices
 - Aligning Incentives and Reducing Self-Dealing
 - Addressing Consolidation
 - Increasing Health Care Provider Supply

Increasing Health Insurance Coverage

- Pursue an "All Options are on the Table" Approach to Increasing Covered Lives
- Focus on Policies to Improve Take-up Among Eligible but Unenrolled Populations
 - Streamline and Update Enrollment Systems and Processes
 - Modernize Health Insurance Advertising Regulations
- Develop 1115 & 1332 Waiver Options

Improving Access to and Affordability of High-Quality Child Care

- Improve the Quality and Availability of Child Care Data
- Identify State-Level Interventions to Reduce the Cost of Opening and Operating Child Care Centers
- Coordinate State Oversight of Child Care within a Single Agency to Improve Effective Regulation

Housing Supply and Affordability

- Promote Solutions that Allow Markets for Housing and Land to Comprehensively Respond to Consumer Demand
- Reduce Regulatory Burdens that Can Slow Production of Housing or Create Higher Costs
- Foster Flexibility and Creativity in Construction of Diverse Housing Typologies
- Promote the Rights of Property Owners to Build on and Modify Their Own Land
- Improve Data Quality for Housing Affordability Issues



WATER INFRASTRUCTURE

1. The state should create a dedicated, lasting revenue stream for water infrastructure (like what is currently done for parks and state highways) and **capitalize on the newly-created Texas Water Fund with a substantial endowment**.
2. **Regional solutions should be encouraged** and structured in order to achieve better economies of scale with regard to source water, rate base, and workforce utilization.
3. The state should invest in **data-driven assessments of our water and wastewater utilities** to enable the strategic deployment of limited resources, including technical assistance, towards communities that need them most.

\$154 billion

will need to be spent by the state before 2070 on water supplies and infrastructure needs

10,000+

drinking water systems and wastewater operations are in Texas' water industry, making it excessively fragmented

85%

support creating a long-term funding strategy for water infrastructure needs

ENERGY EXPANSION

1. Texas needs to pursue **an "all of the above" energy strategy as part of its energy expansion**. This includes the pursuit of nuclear, hydrogen, geothermal, renewable, and battery storage technologies in addition to the continued use of oil and natural gas resources.
2. The state's electric policy should provide for the **development of generation and transmission resources** needed to provide reliable service at the lowest cost to consumers.
3. Texas' energy infrastructure needs to be **resilient to extreme weather events**, including hotter summers, droughts, and hurricanes.

2.5x

more energy is produced by Texas than any other state in 2020

73%

increase in Texas' oil production over the past decade

43%

increase in Texas' natural gas production over the past decade

53%

of Texans are not confident in the state's electric grid reliability

RESILIENCE

1. Given the likelihood for the increased frequency of extreme weather events, state policy ought to **include adaptation or mitigation strategies** where possible and appropriately-scaled emergency response.
2. Texas should **incorporate extreme weather data into state infrastructure planning**.

74%

increase in electric demand between now and 2050 expected

5-15%

increase in extreme one-day precipitation events since the late 20th century will contribute to greater urban flooding by 2036

4x

more common to have 100-degree days by 2036 in the 1970s and 1980s



Water and energy are the two key ingredients for the continuation of the Texas Economic Miracle. Texas faces a long-term water supply deficit during drought that, when combined with the escalating liabilities associated with aging, deteriorating water and wastewater systems, necessitates a renewed focus on the state's financial strategy and emphasis on efficient water management. Energy, too, serves as a lynchpin to future growth and development. Just as the state continues to generate and produce record volumes of energy – in the forms of oil, natural gas, and renewable power – future success lies within the capacity to deliver that power to Texas homes and businesses.

Energy Abundance

- Pursue an “All of the Above” Strategy For Energy Expansion
- Support a Framework for Nuclear Power Development
- Support Development of Hydrogen and Carbon Capture Hubs
- Support Regulatory Certainty for Oil and Gas Production
- Reduce and Mitigate Oil and Gas Waste Streams

Electric Reliability and Affordability

- Expand the State's Transmission Capacity
- Provide Affordable Electric Generation
- Expand and Protect Generation Capacity
- Support Electric Infrastructure Resilience

Water Planning and Infrastructure

- Fund Long-Term Solutions that Address Growing Water Supply and Infrastructure Needs
- Develop More Accurate Water Planning Data
- Support Data-Driven Assessment of Infrastructure Conditions
- Expand Technical Assistance Capacity for Small, Rural and Disadvantaged Communities
- Establish Frameworks for the Development of Regional Water Markets that Encourage Voluntary Transfers of Water
- Eliminate Barriers and Encourage Incentives for Regional Solutions
- Support Water Workforce Development Programs, Including Cybersecurity

Resiliency

- Improve State and Local Wildfire Response
- Incorporate Extreme Weather Data into State Infrastructure Planning



GOVERNMENT PERFORMANCE AND INNOVATION

1. Texas' budget process should **ensure long-term state fiscal stability** to enable long-term planning and delivery of services and programming, to meet the needs of today and tomorrow.
2. Texas should **improve and modernize its information technology systems** to ensure state leaders can properly evaluate performance and make timely decisions to improve the quality and efficiency of government.
3. The state has the opportunity to foster an environment that **embraces technological innovation**, while also taking a proactive role in developing the physical and digital infrastructure and regulatory frameworks necessary to keep up with the associated growth and demand of economic opportunity.
4. Texas should **update the Sunset Process** to optimize the review of state agency operations, fiduciary duties, data systems, and technological infrastructure.

\$320
billion

is the total for Texas' two-year state budget

1
billion

cyberattack attempts on state agencies daily

\$21
billion

in estimated revenue will be available at the start of the 89th Session

13

agencies are under review by the Sunset Commission for the 2024-25 cycle

JUSTICE

1. Poor conditions in the prison system not only harm inmates, but correctional staff also suffer as they operate in these environments. Texas should support efforts to **improve basic working and living conditions at TDCJ correctional facilities**.
2. Following the sunset review of the Texas Commission on Law Enforcement, the state should remain active in **increasing transparency and improving the quality of police data**.
3. In the face of court backlogs, Texas made significant changes and investments towards better court data collection. Texas should **continue to support the judicial workforce and upgrade the judiciary's legacy IT and data infrastructure**.

70%

of the current prison facilities lack full climate control in living spaces where temperatures regularly exceed 90 degrees.

82%

of Texas voters think the max temperature in Texas prisons should not exceed 85 degrees

27%

is the unemployment rate for formerly incarcerated Texans



Government performance and accountability is a signature policy area for Texas 2036, with our team often the only voice on many critical issues. Our first two sessions in this policy area have featured impactful victories, among others, on state employee pension reform, information technology modernization, education investment fund reforms and strategic uses of surplus revenues that promote long-term growth. Our government performance and accountability efforts will continue to focus on efforts to improve state government's ability to strategically long-term plan, deliver, and measure performance of its services and programming, in service of responsibly stewarding taxpayer dollars for the needs of Texas both today and tomorrow. Fundamental to these policy efforts are ensuring long-term state fiscal stability, meeting and keeping pace with technological demands in state government and building and retaining a talented state workforce.

Fiscal Sustainability and Accountability

- Ensure Long-Term Priorities are Funded and Measured Accurately
 - Reduce the Risk Long-Term Liabilities will Have on Future Generations and Balance Sheets
 - Improve State Budget Performance Measures
 - Optimize the Sunset Process to Deliver Added Transparency and Efficiency
- Preserve a Broad-Based Tax Structure Aligned to a Modern Economy
- Align Funding and Revenue to Market Trends

State Information Technology and Innovation

- Modernize State Information Technology Systems
 - Improving State Agency Data Infrastructure and Sharing
 - Ensuring State Held Personal Data is Protected and Private
 - Support the Department of Information Resources During their Sunset Process
- Embrace Technological Innovation

State Workforce

- Modernize State Employment Practices, Pay, and Benefits to Improve the Public Sector Workforce, including:
 - Encouraging Skills-Based Hiring for State Employees
 - Improving State Employee Health Benefit Plans
- Improve Conditions in Correctional Facilities

State Financial Investments in Infrastructure and Innovation

- Monitor the Implementation of the Broadband Infrastructure Fund to Support Broadband Expansion
- Support Continued Expansion and Improvement of State Park Infrastructure
- Support the Texas Space Commission's Strategic Plan on Space Workforce Training, Economic Development and Research and Funding Opportunities

State Courts and Justice Data

- Support Improved Collection and Reporting of Data From the Judiciary
- Provide Judicial IT Resources
- Support New Specialty Courts or Processes as Needed

Law Enforcement Oversight

- Support TCOLE Sunset Implementation
- Defend Transparency and Improve Quality in Police Data

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