2027 LEGISLATIVE SESSION PRIORITIES

TEXAS 2036

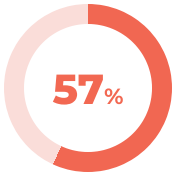
BUILDING THE NEXT TEXAS CENTURY



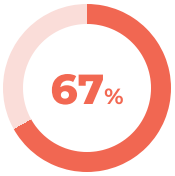
As Texas quickly approaches its bicentennial, **the state stands in a position few places ever reach: large, growing and globally impactful** — yet still full of endless possibility. Over the past quarter century, **Texas has grown into the nation's second-largest state economy,** expanded its share of the national economy and demonstrated a capacity for growth that continues to draw people, businesses and investment from across the country and around the world.

But the future of the state is not guaranteed by its past. The same growth that has powered Texas' success is placing new demands on the systems that make prosperity possible. A larger population requires stronger schools, a deeper talent pipeline, more reliable infrastructure, affordable foundations for family life and a state government capable of managing public resources efficiently and measuring whether programs are delivering results. **The Texas Miracle is real, but its continuation is not guaranteed.**

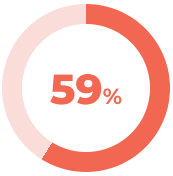
What Texans think



Believe Texas will have a stronger economy than the rest of the United States over the next four years.



Are extremely or very concerned about the future of Texas.



Are confident there will be good opportunities to use their skills, earn a living and get ahead.

Texans understand this tension. A majority believe Texas will have a stronger economy than the rest of the United States over the next four years. Most remain confident there will be good opportunities to use their skills, earn a living and get ahead. Yet that optimism is paired with real concern: two-thirds of Texas voters say they are extremely or very concerned about the future of the state.

That is the central challenge of this playbook:

To help Texas convert confidence in its economy into confidence in its future.

Our 2027 playbook identifies the conditions Texas must strengthen to improve lives, expand opportunities and sustain prosperity through the bicentennial and beyond. This is a pragmatic framework for defining challenges with credible data, translating evidence into practical solutions, building understanding among stakeholders, supporting state action, measuring whether implementation is delivering results and using those results to improve policy over time.

This work is organized across four areas:

EDUCATION & WORKFORCE FOR THE FUTURE

Knowledge, skills and credentials

Focuses on whether Texans can develop the knowledge, skills and credentials needed to succeed in an evolving economy.

INFRASTRUCTURE FOR GROWTH

Water, energy and resilience

Centers on the physical systems and natural resources that make sustaining Texas' success possible.

FOUNDATIONS FOR PROSPERITY

Healthcare and childcare

Concentrates on the economic mobility conditions, including healthcare and childcare, that allow families to thrive.

GOVERNMENT PERFORMANCE & ACCOUNTABILITY

Results, data and accountability

Ensures state government can manage resources efficiently, connect data across agencies, measure results and address long-term challenges with fiscal discipline and accountability.

Texas has every reason to be optimistic. The state has the people, resources, institutions and economic momentum to make its third century its strongest yet. But optimism must be matched with focus. Growth must be matched with preparation. Ambition must be matched with execution.

The next Texas century will not be built by assuming the future will take care of itself. It will be built by making deliberate choices now — choices that strengthen opportunity for Texans in every region, preserve the foundations of economic growth and ensure state government can meet the demands of a larger, more complex and more dynamic Texas.

EDUCATION & WORKFORCE OF THE FUTURE

K-12 ACADEMIC FOUNDATIONS

1. **Strengthen K-12 Academic Foundations** through rigorous assessments, transparent accountability, evidence-based supports, high-quality instructional materials, effective educators and outcomes-based funding.
2. **Prioritize Student Safety for AI in Education** by establishing statewide guidance on responsible use; vetting the safety, privacy and learning standards of tools; training educators to prevent harm and protect learning; and building age-appropriate AI literacy for students.
3. **Protect Teacher Pay** through value-based TRS-ActiveCare reforms and use the All-Payor Claims Database to model improvements and their potential savings for the state.
4. **Restore Math Proficiency** by strengthening teacher instructional support, expanding the effective implementation of high-quality instructional materials and implementing evidence-based strategies to assist struggling campuses.

55% and 43% Of Texas students are on grade level in reading and math, respectively.

8 states Texas is among eight states that have not yet adopted a statewide model policy on the responsible use of AI in education.

80% How much the average TRS-ActiveCare premium has grown since 2012, roughly twice as fast as teacher pay.

WHAT TEXANS THINK

71% Of Texas voters support clear and consistent A-F accountability ratings for districts and campuses.

84% Of Texas voters believe protecting students' personal data and privacy is extremely or very important if Texas public schools use AI.

69% Of Texas voters support the state negotiating lower hospital prices for the teacher health plan.

HIGH SCHOOL TO CREDENTIALS OF VALUE

1. **Strengthen the Path from Diploma to Credential of Value** by aligning CTE programs, industry-based certifications and college credit with long-term student success so more high school graduates leave prepared to continue their education or enter a high-demand career.
2. **Expand Access Through Regional Partnerships** by removing barriers to shared CTE delivery and building on models such as R-PEP, P-TECH and Early College High Schools so more students can access rigorous programs that individual districts may struggle to sustain.
3. **Give High Schools Actionable Outcomes Data** on graduates' postsecondary enrollment, credentials, employment and wages, paired with stronger advising and program-quality standards, so schools can determine which opportunities prepare students for long-term success and improve programs over time.

91% vs 37% Although 91% of Texas students graduate from high school, only 37% earn a postsecondary credential within six years.

$4,026 Estimated additional annual earnings six years after graduation for students who take three or more CTE courses compared with students who took no CTE courses.

WHAT TEXANS THINK

79% Of Texas voters believe senior year should be more focused and demanding to better prepare students for college and careers.

61% Of Texas voters believe Texas high school students are not graduating prepared for the workforce or future economy.

POSTSECONDARY AND WORKFORCE OUTCOMES

1. **Preserve and Strengthen Outcomes-Based Higher Education Funding** so state investment supports continued growth in credentials and other valuable student outcomes. Expand the use of student outcomes and workforce value in how Texas funds and evaluates postsecondary institutions and programs.
2. **Modernize Workforce Data and Strengthen Accountability** so Texas can compare workforce programs based on credential attainment, job quality and economic mobility. Build a durable, trusted home for cross-agency workforce analytics that keeps this data continuously available and usable. Standardize data definitions and performance measures across all 28 local workforce boards, publish comparable performance data and improve accountability between TWC and the boards.
3. **Connect Texans to High-Demand Careers** by expanding affordable workforce-aligned credentials, work-based learning and flexible reskilling opportunities that help Texans at every stage of life enter, advance or transition into careers that support a family.
4. **Make Every Credit Count and Expand Access** by recognizing credits and prior learning, improving transfer and stackable pathways and ensuring the Windham School District and the Texas Department of Criminal Justice have the resources needed to continue expanding postsecondary program offerings for incarcerated students.

$108B Annual Texas spending on education and workforce programs, yet better data is needed to reliably verify how those investments lead to jobs and earnings.

33,000 Texans incarcerated in Texas Department of Criminal Justice prisons were eligible but not enrolled in a postsecondary education program in the Fall 2025 semester.

$74,614 The statewide average annual income needed for a typical Texas family of three to be self-sufficient in 2026.

54,000+ Texans earned at least 60 college credits but no credential between 2012 and 2022.

WHAT TEXANS THINK

85% Of Texas voters support requiring Texas to track and publicly report whether education and job-training programs lead to good-paying jobs.

74% Of Texas voters are more likely to support a candidate who works to improve college affordability and outcomes.

INFRASTRUCTURE FOR GROWTH

SECURING TEXAS' WATER FUTURE

1. **Reform the State Water Planning Process** by improving the data and models used to develop the plan, incorporating a more actionable framework for infrastructure development, and tracking progress toward implementing recommended water projects and addressing identified water shortages.
2. **Establish Frameworks for Regional Water Markets** by supporting measures that foster market development, including caps on water availability, and establishing exchanges for market transactions or regional water banks.
3. **Enhance State Financial Assistance Programs** by supporting additional "interim" funding for water infrastructure development, including flood protection projects, and maximizing the capacity of existing financial assistance programs to address escalating infrastructure costs.
4. **Modernize Texas' Water Sector** by expanding technical assistance for small, rural and low-income communities, encouraging regional service delivery and supporting water workforce development programs.

$200 billion+ — Texas will need to invest more than $200 billion in water infrastructure over the next 50 years, including supplies, system upgrades and flood protection.

6M acre-feet — Projected annual statewide water shortage by the 2080s if recommended water-management strategies are not implemented.

D– / D+ — American Society of Civil Engineers' 2025 report card grades for Texas' wastewater and drinking water infrastructure.

WHAT TEXANS THINK

79% Of Texas voters say prioritizing state water projects is extremely or very important.

70% Of Texas voters approved Proposition 4 in 2025, dedicating $1 billion annually to the Texas Water Fund for 20 years.

PROMOTING A MORE RESILIENT FUTURE

1. **Reduce Weather-Related Risks to Homes and Communities** by reducing barriers and creating incentives for communities to harden structures in anticipation of extreme weather risks.
2. **Preserve Access to Affordable Property Insurance** by supporting a broad and diversified insurance market that gives Texans reasonable choices for protecting their homes and property. Texas should also ensure that mitigation efforts help address the weather-related risks contributing to higher premiums.
3. **Strengthen Public-Sector Resilience to Extreme Weather** by enabling public infrastructure development plans and planning processes to account for worsening weather extremes; supporting further state investment in flood protection infrastructure; and expanding state and local capacity for wildfire response and prevention.

55% — Increase in Texas homeowners' insurance premiums between 2019 and 2024 as extreme-weather risks grew.

$332.5 billion — Minimum damages caused by severe storms, the costliest category of extreme-weather events identified.

74% vs 11% — Between 2009 and 2024, average homeowners' premiums increased 74% while median household income increased only 11%.

WHAT TEXANS THINK

79% Of Texas voters report that their property-insurance costs increased during the past five years.

78% Of Texas voters would support a candidate who prioritizes disaster response.

POWERING THE STATE'S ECONOMY

1. **Protect Texas' Leadership in the Energy Expansion** by maintaining clear and consistent regulatory frameworks for the state's "all of the above and below" energy portfolio. Encourage all available power generation without unreasonable regulatory hurdles to meet future electricity load projections.
2. **Scale Texas' Energy Grid for Growth and Resilience** by encouraging distributed energy resources, battery energy storage systems (BESS), co-location, grid-enhancing technologies and additional generation while safeguarding the grid from extreme weather and cyberattacks.
3. **Promote Energy Affordability for Texans** by supporting grid growth while controlling costs, expanding demand-response opportunities and ensuring large new loads bear the cost of infrastructure needed to serve them.
4. **Establish Frameworks for Unique Energy Resources** by encouraging the beneficial use and reuse of produced water and enabling carbon management, carbon capture, hydrogen and other low-carbon fuels.

367,790 MW — ERCOT's projected peak electricity demand by 2032, more than four times the record peak of 91,134 megawatts in 2026.

42.3% — Of the nation's crude oil was produced in Texas in 2025, along with 28.5% of U.S. natural gas and 27.9% of wind generation.

55.8% — Increase in Texas' base electricity load between 2016 and 2026.

WHAT TEXANS THINK

81% Of Texas voters rank improving grid reliability among the most important electricity issues for the Legislature, compared with 73% who prioritize lowering costs.

58% Of Texans express confidence in the cost and reliability of their electricity, down 9 percentage points from 2022.

FOUNDATIONS FOR PROSPERITY

IMPROVING HEALTHCARE AFFORDABILITY

1. **Address High Prices Caused by Market Failures** by increasing transparency around healthcare ownership and financial control, strengthening review of mergers and acquisitions and prohibiting anti-competitive contracting practices. Expand employer access to claims and pricing information, clarify fiduciary duties, improve smart-shopper laws and address facility fees through transparency and payment reforms.
2. **Address High Prices Caused by High Costs** by expanding the supply of practicing clinicians and the role of lower-cost practitioners and trained non-clinicians in delivering routine care. Evaluate the role of automation and AI in performing routine clinical and administrative tasks more efficiently. Reduce regulatory burdens that increase the cost of delivering care.

$26,993 — Total annual premiums for employer family coverage now average roughly $27,000 — approaching one-third of the median household income.

63% — Texans say they skipped or postponed some form of healthcare in the past year because of expense.

WHAT TEXANS THINK

81% Of Texas voters agree state government should more actively regulate healthcare mergers to keep the market sufficiently competitive.

79% Favor requiring transparent and binding prices before nonemergency care is delivered, with just 11% opposed.

CONNECTING TEXANS TO HEALTHCARE COVERAGE

1. **Connect Eligible Texans to Existing Coverage** by strengthening the state's capacity to efficiently enroll people in Medicaid, CHIP and subsidized marketplace plans for which they already qualify.
2. **Give Texans Access to More Coverage Options** by allowing consumers to choose from a wider range of insurance plans that reflect different family and financial needs.
3. **Help More Employers Offer Coverage** by making workable Individual Coverage Health Reimbursement Arrangements (ICHRA) easier for employers, including small businesses, to offer.

16.6% — Of Texans, or nearly 4.9 million people, lack health insurance — the highest uninsured rate in the country.

Up to 70.9% — Of uninsured Texans may qualify for Medicaid, CHIP or subsidized marketplace coverage but are not enrolled.

WHAT TEXANS THINK

66% Of Texas voters believe employees should have more choice and responsibility in plan selection, with employers giving each employee a set amount of money to pick the plan that best fits their family.

REFORMING CHILDCARE GOVERNANCE

1. **Unify Governance** by creating one accountable entity charged with telling the Legislature and the public whether the childcare system is working for families, with the authority to act when it is not.
2. **Define Success** by setting clear, shared goals for the outcomes that public early-childhood dollars should produce, including families access to quality care and school readiness, so state spending can be measured against meaningful targets.
3. **Use Data to Measure Progress** by building the infrastructure needed to monitor whether Texas is meeting its childcare goals and delivering the outcomes families and taxpayers expect.
4. **Fix Workforce Board Oversight** by adopting the Sunset Commission's accountability recommendations and replacing 28 different local workforce board approaches with common statewide standards.

2.4 million — Children under age 6 live in Texas, but state and federal early-childhood programs reach only about one in six.

5+1 — At least five state agencies, plus federal Head Start, regulate or fund childcare — but no single entity is accountable for systemwide outcomes.

$7.9 billion — Estimated annual cost to Texas employers from childcare-related workforce disruptions.

WHAT TEXANS THINK

89% Of Texas voters say publicly supported early-childhood programs are important.

69% Of Texas voters are more likely to support a candidate who prioritizes making the childcare system more parent-friendly.

56.7% Of Texas parents say the cost of childcare has affected their decisions about having more children.

GOVERNMENT PERFORMANCE & ACCOUNTABILITY

BUILDING GOVERNMENT SYSTEMS READY FOR TEXAS' FUTURE

1. **Strengthen fiscal sustainability and accountability** by funding long-term priorities properly using relevant, timely and accurate data and measures to assess and improve government performance. Prioritize existing obligations, reducing long-term liabilities and consideration of future cost pressures. Use strong revenue conditions for strategic, targeted investments while avoiding creation of unsustainable obligations that reduce flexibility.
2. **Modernize systems and strengthen implementation** by integrating state data systems and utilizing meaningful, useful performance measures so policymakers can monitor and make informed decisions about programs. Ensure major investments and reforms have clear goals and ownership, sustained resources and continued oversight for successful implementation.
3. **Prepare for growth and responsible innovation** by preparing state government to responsibly use and oversee emerging technologies, including AI, through modern data systems, cybersecurity protections and adaptive oversight. Improve the quality, accessibility and interoperability of judicial and criminal justice data. Ensure emerging sectors, including autonomous vehicles, advanced air mobility and data centers, are responsibly and safely deployed while ultimately strengthening Texas' economy.