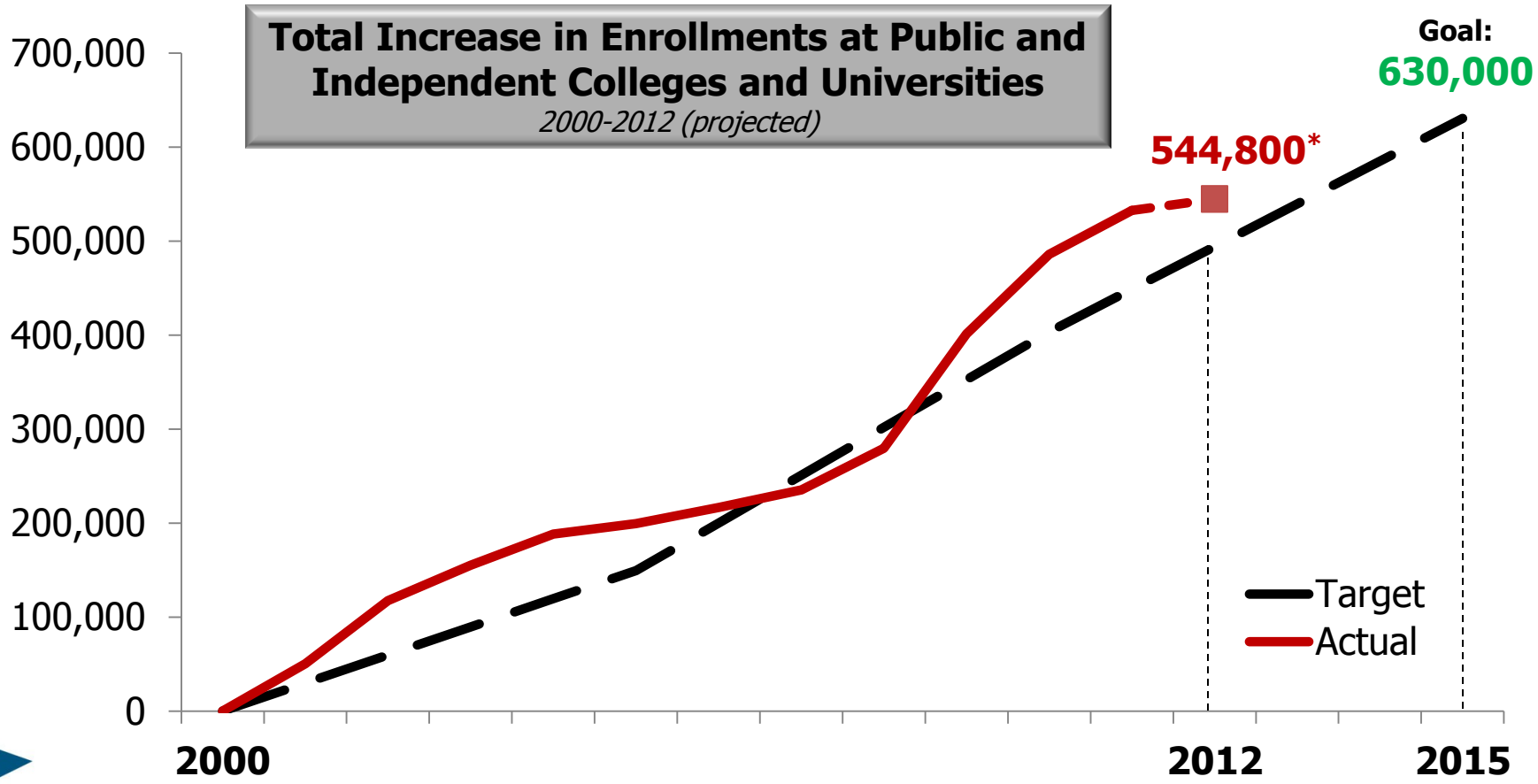
Progress on *Closing the Gaps* and the Future of Higher Education and the Texas Workforce

September 27, 2012

Mr. Fred Heldenfels IV
Chairman

Texas remains on track to meet statewide **Participation** goal, but enrollment growth has slowed



* Projection based on preliminary 2012 fall enrollments and estimate for career colleges.

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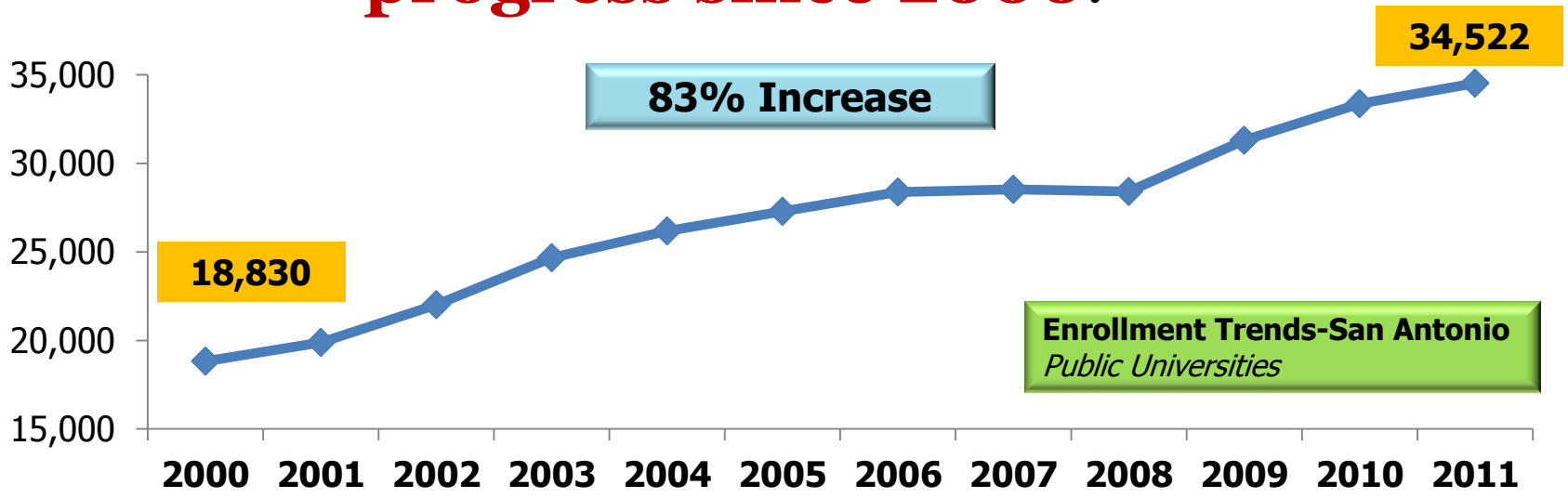
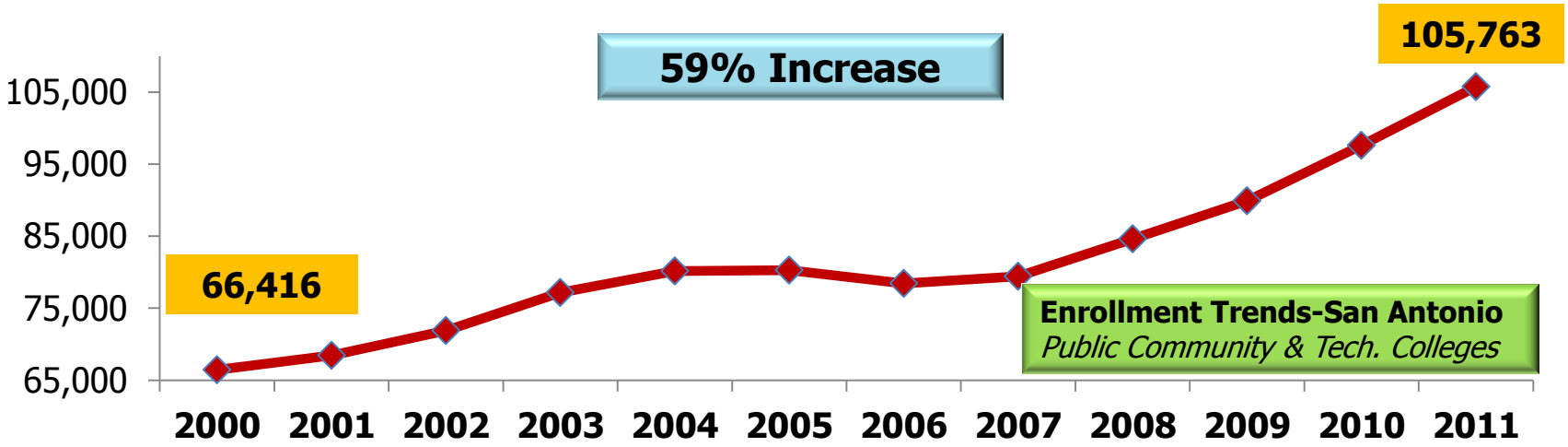
San Antonio institutions have made **steady progress since 2000**.





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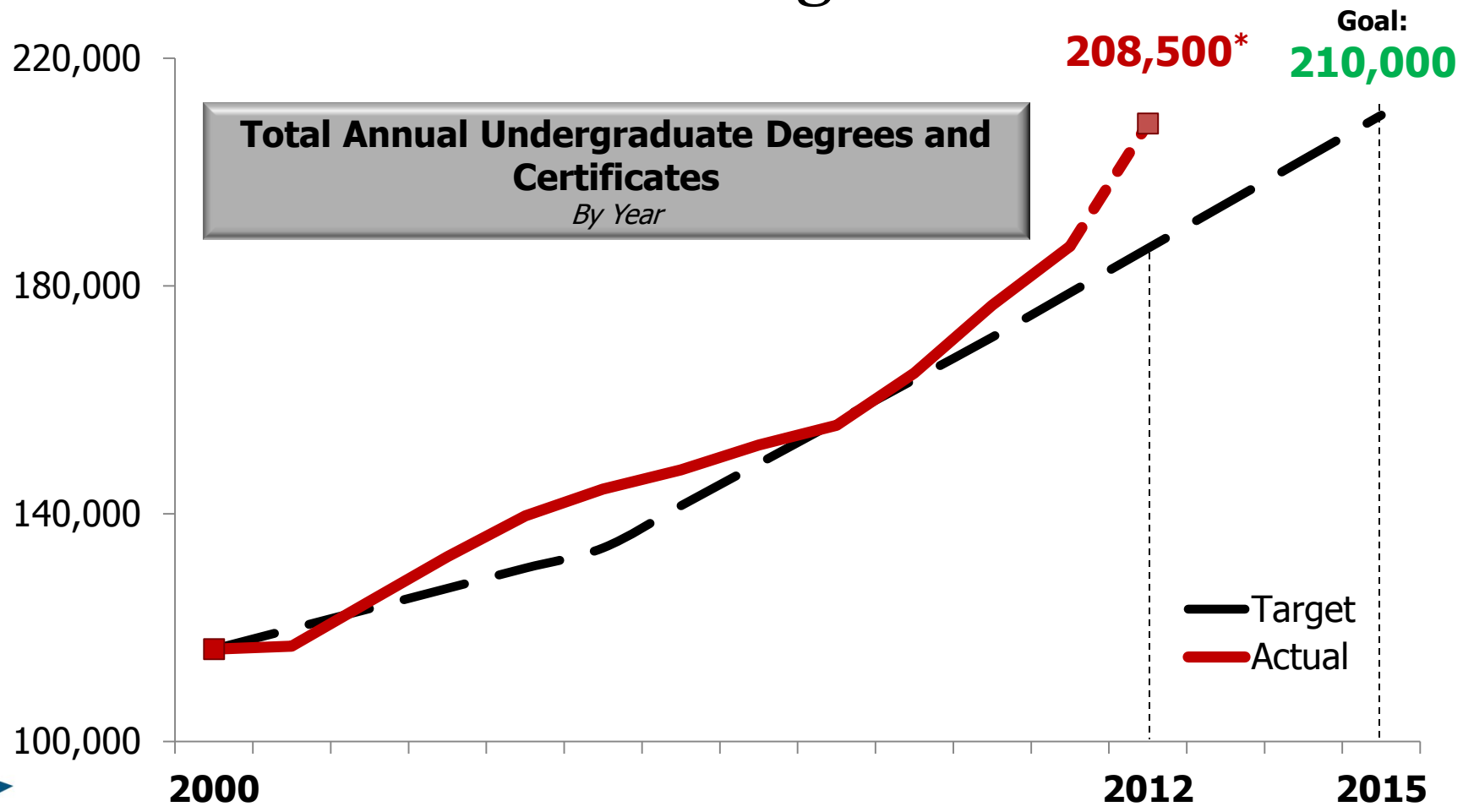
Texas is on track for meeting statewide **Success** goal



* FY projection based on uncertified Fall 2011, Spring 2012 and historical ratios.

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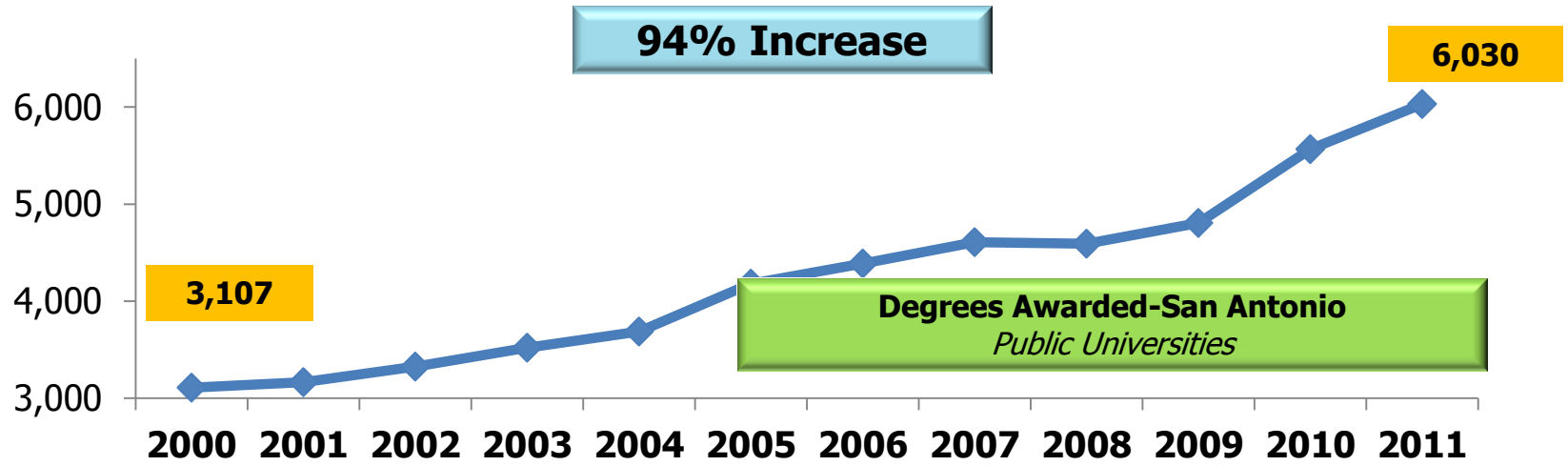
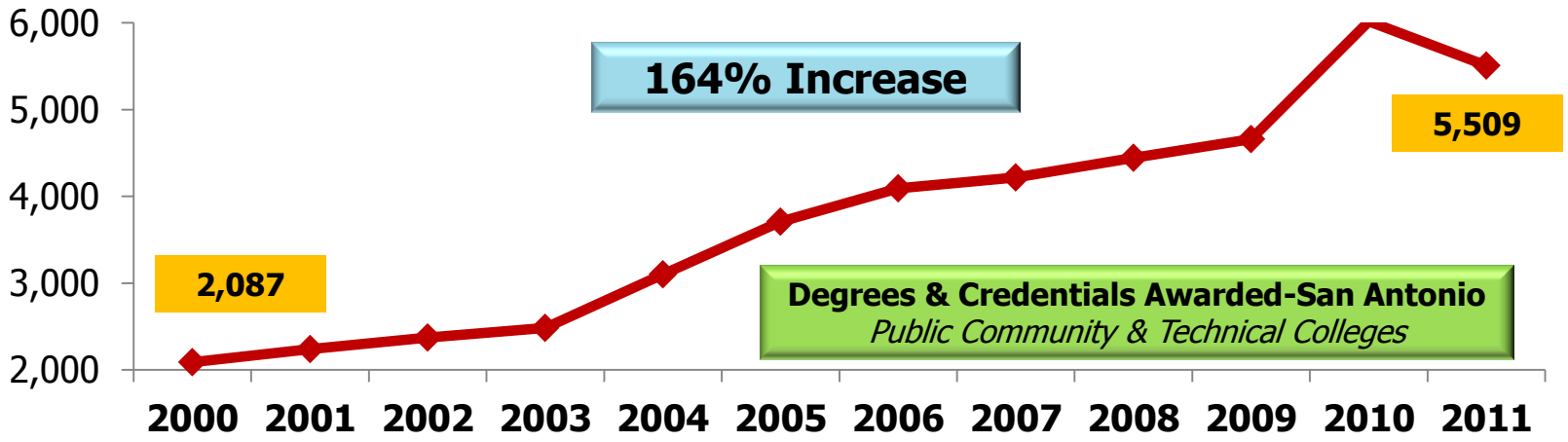
San Antonio institutions have **increased annual output** in postsecondary credentials





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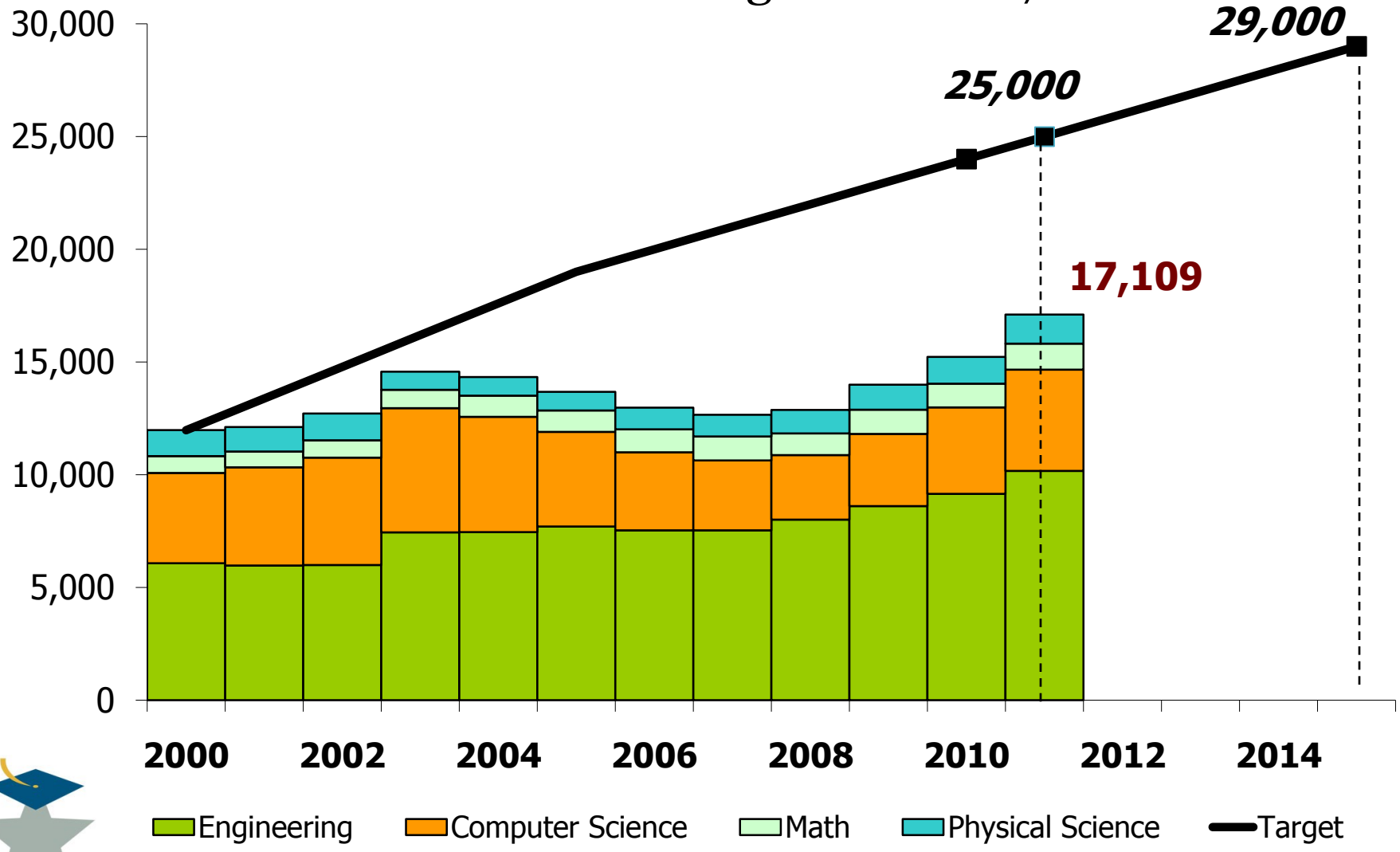
STEM field degrees are well below targets, but up 35% since bottoming out in 2007.



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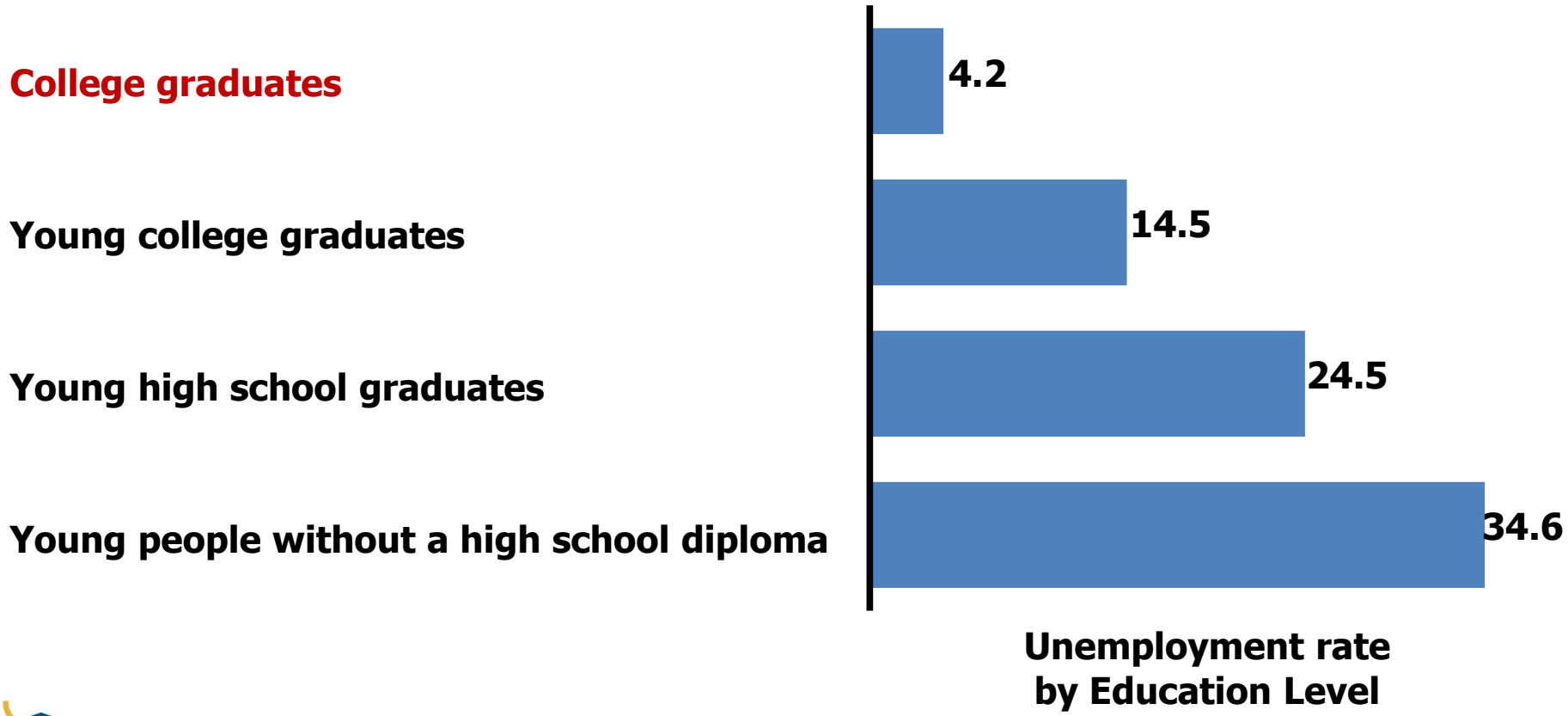
Improving Higher Education Outcomes and Alignment with Workforce Demands

Workers with more education have been less affected by the current economic conditions



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Mckinsley Global Institute analysis

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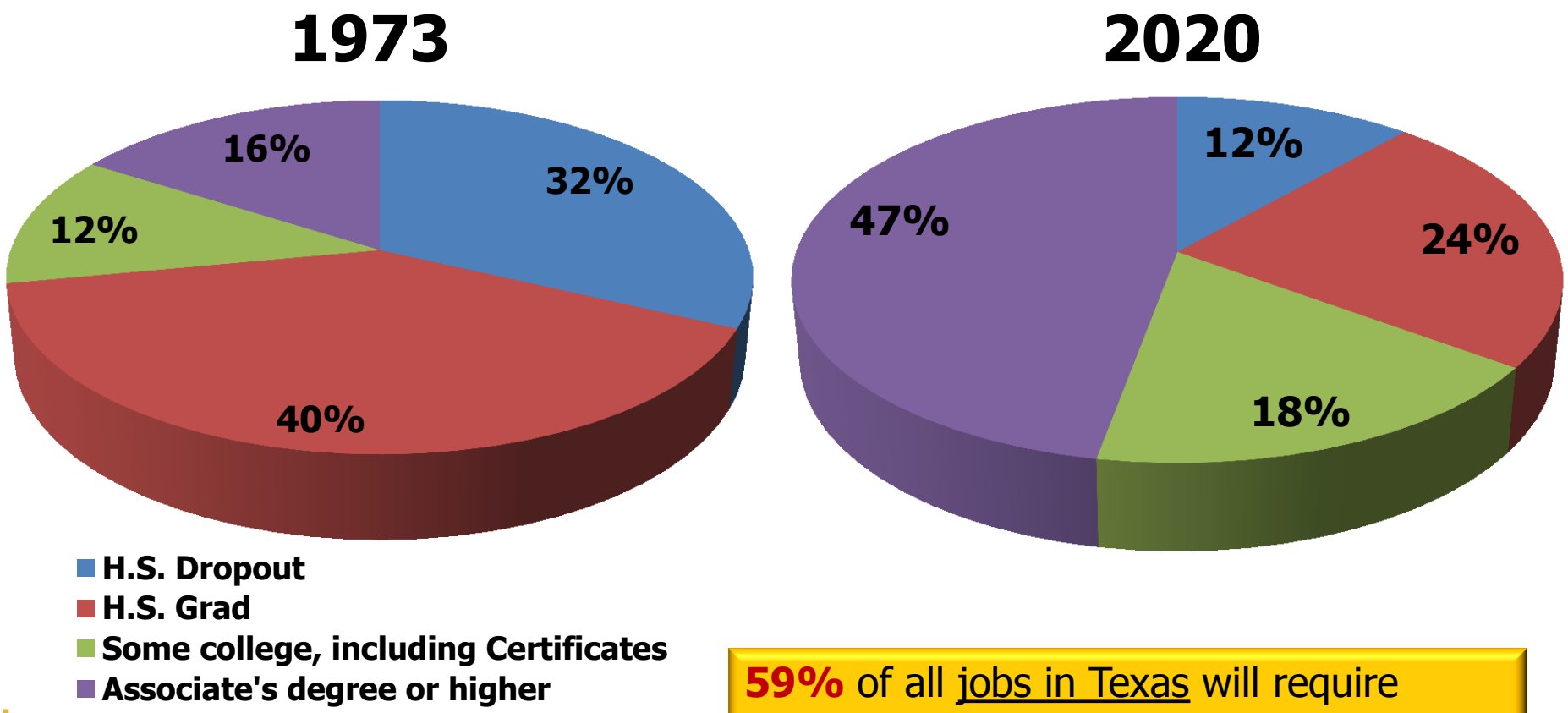
In 1973, only **28%** of all jobs in the U.S. required some postsecondary education compared to a projected **65%** by 2020.



59% of all jobs in Texas will require postsecondary education by 2020.

Source: Georgetown University, *Center on Education and the Workforce; data in charts rounded.*

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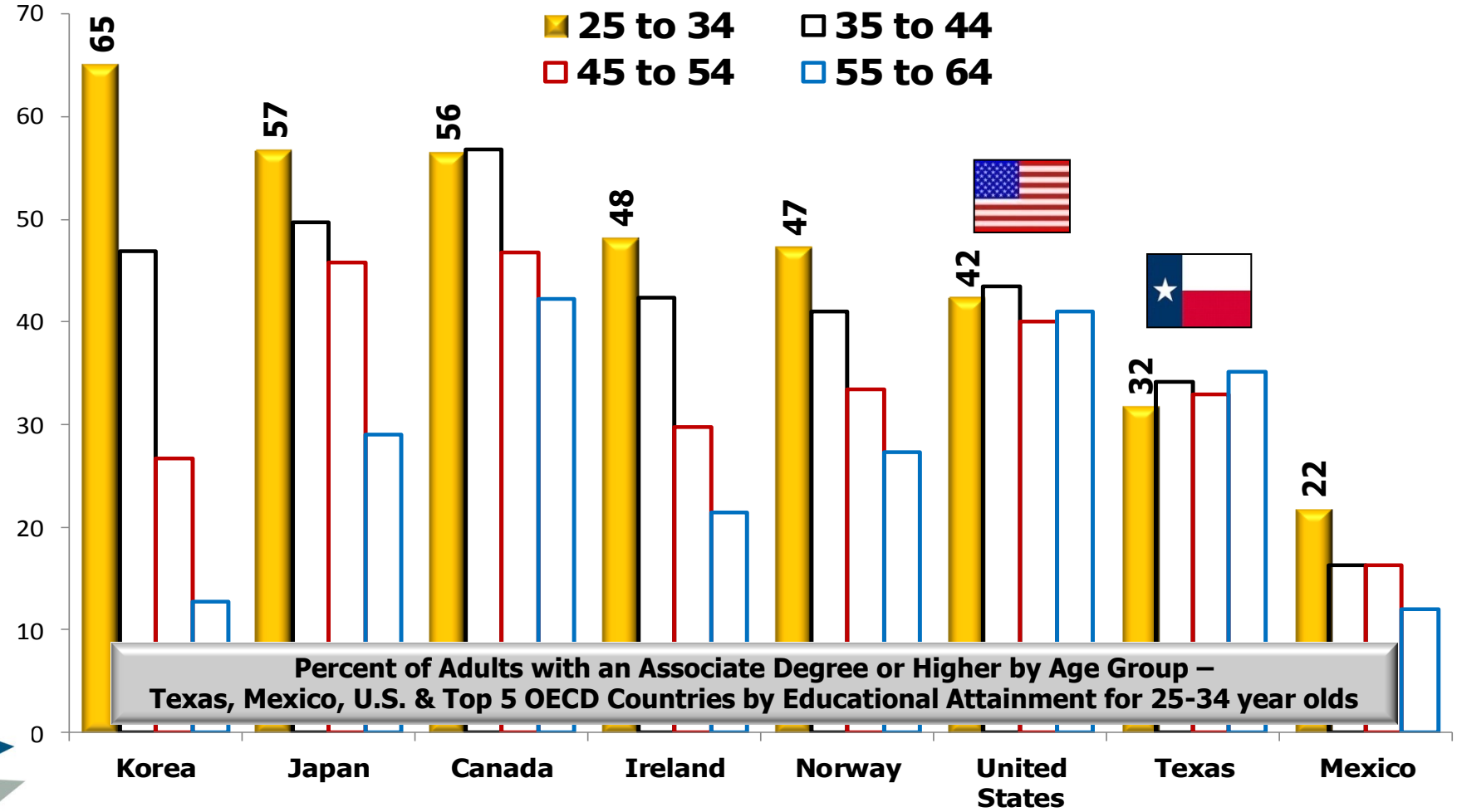
Texas lags behind nation and key global competitors in educational attainment



Source: OECD, Education at a Glance 2012

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During this interim before the 83rd Legislative Session, we must explore together new strategies and initiatives to improve productivity, efficiency, and establish a policy framework for becoming a national leader and **global competitor**.

Key strategies and initiatives

- **Expanding Access to Higher Education**
  - Restructuring Financial Aid
  - Low-cost degrees
  - Institutionalizing LEAN culture of continuous improvement
  - Strengthening Community Colleges
    (Including improving transfer and aligning outcomes with workforce needs)
- **Sustaining collaboration with P-12**
  - College Readiness
  - Professional Development for Teachers
- **Improving higher education outcomes**
  - Reinventing Developmental Education/ABE
  - Outcomes-based Funding for Institutions

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Outcomes-Based Funding
Recommendation for Universities

- ✓ Base 10% of undergraduate funding on student outcomes.
- ✓ Allocate funds on seven defined metrics that measure the most critical outcomes necessary for Texas to compete nationally and internationally.

Student outcomes aligned with critical workforce needs are given higher value

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Outcomes-Based Funding

Recommendation for Community and Technical Colleges

- ✓ Base 10% of funding on student outcomes.
- ✓ Allocate funds based on institutions' performance on "Student Success Points" – specific measures of student success and persistence.

Equal value for all types of postsecondary completers, to include workforce certificates.

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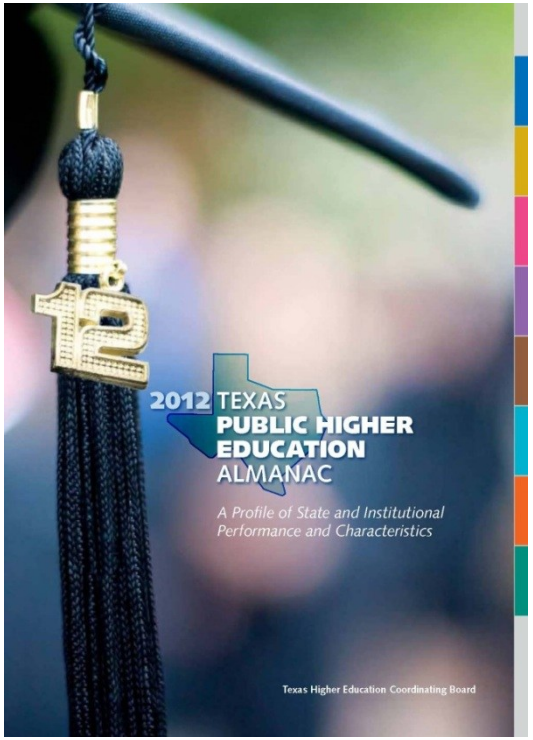
Access to relevant data on higher education performance is critical



U.S. Chamber of Commerce, June 2012:
"When it comes to transparency and public accountability…Texas, with its comprehensive accountability system and in-depth web-based almanac of college performance, led the charge."

The ***Almanac*** includes:

- National rankings on key measures
- Status of *Closing the Gaps*
- Highlights of key higher education issues
- Data profiles on every public university and community college

Available online at www.thecb.state.tx.us/almanac
THECB data website: www.txhighereddata.org

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