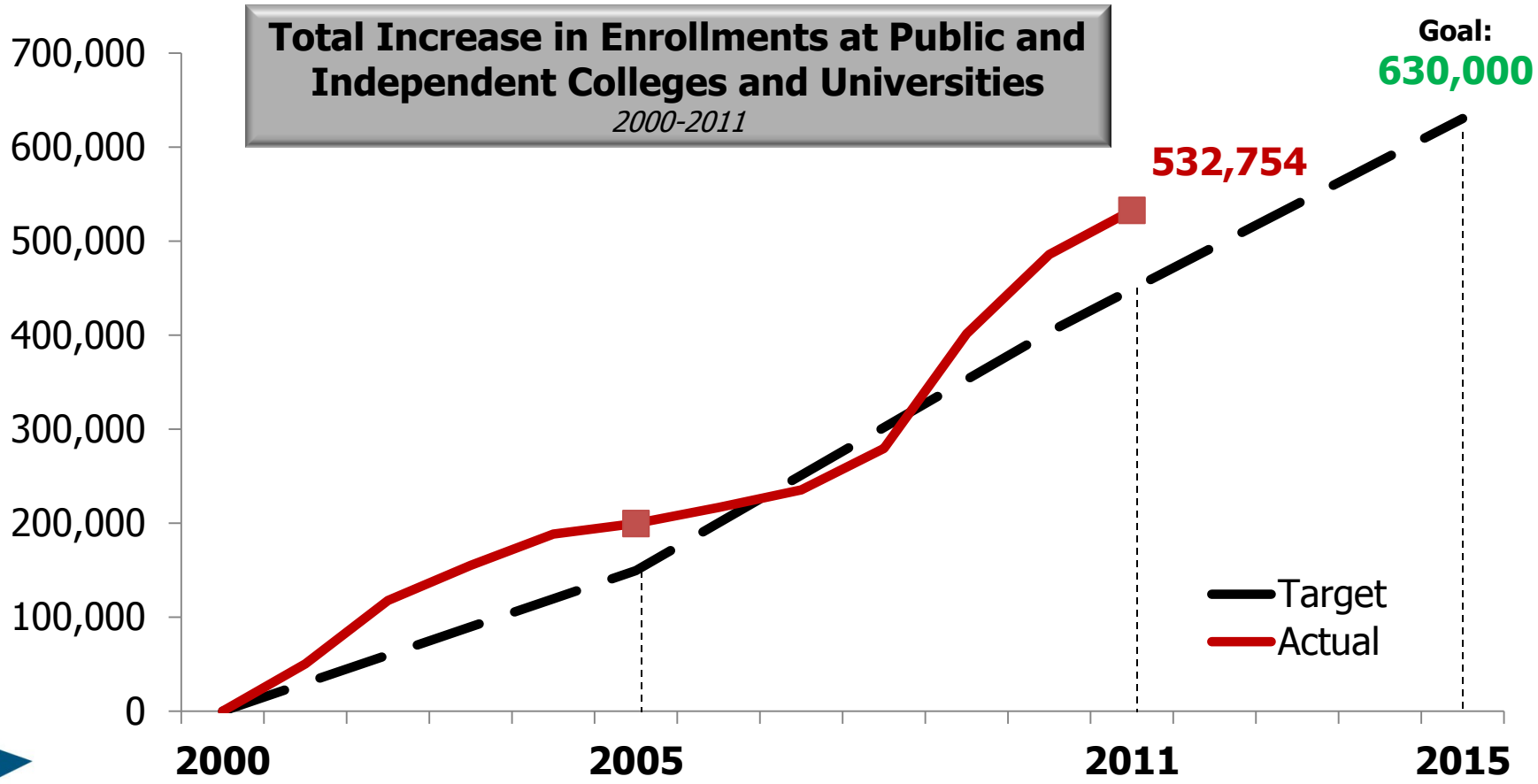
Progress on *Closing the Gaps* and the Future of Higher Education and the Texas Workforce

August 1, 2012

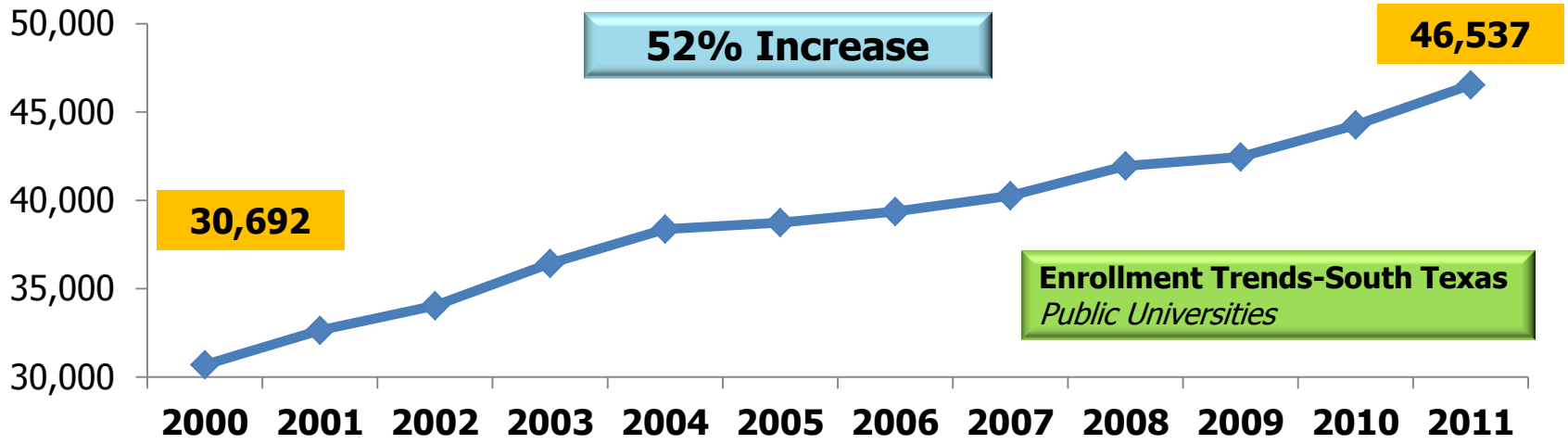
Dr. Raymund Paredes
Commissioner

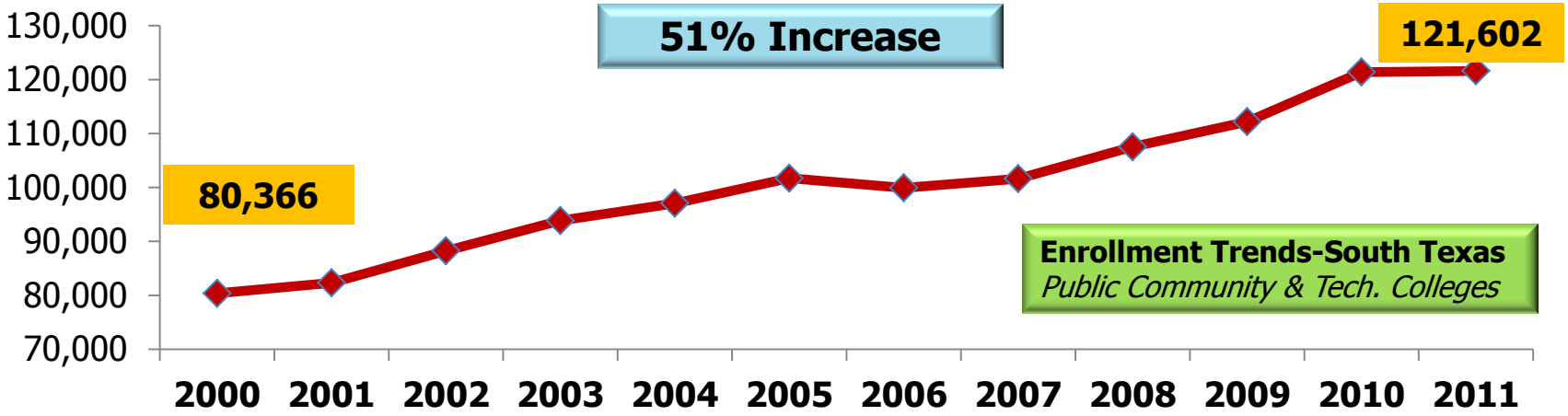
Texas remains on track to meet statewide **Participation** goal



Texas Higher Education Coordinating Board

South Texas institutions have made **steady progress since 2000**, but enrollment trends are flat in recent years





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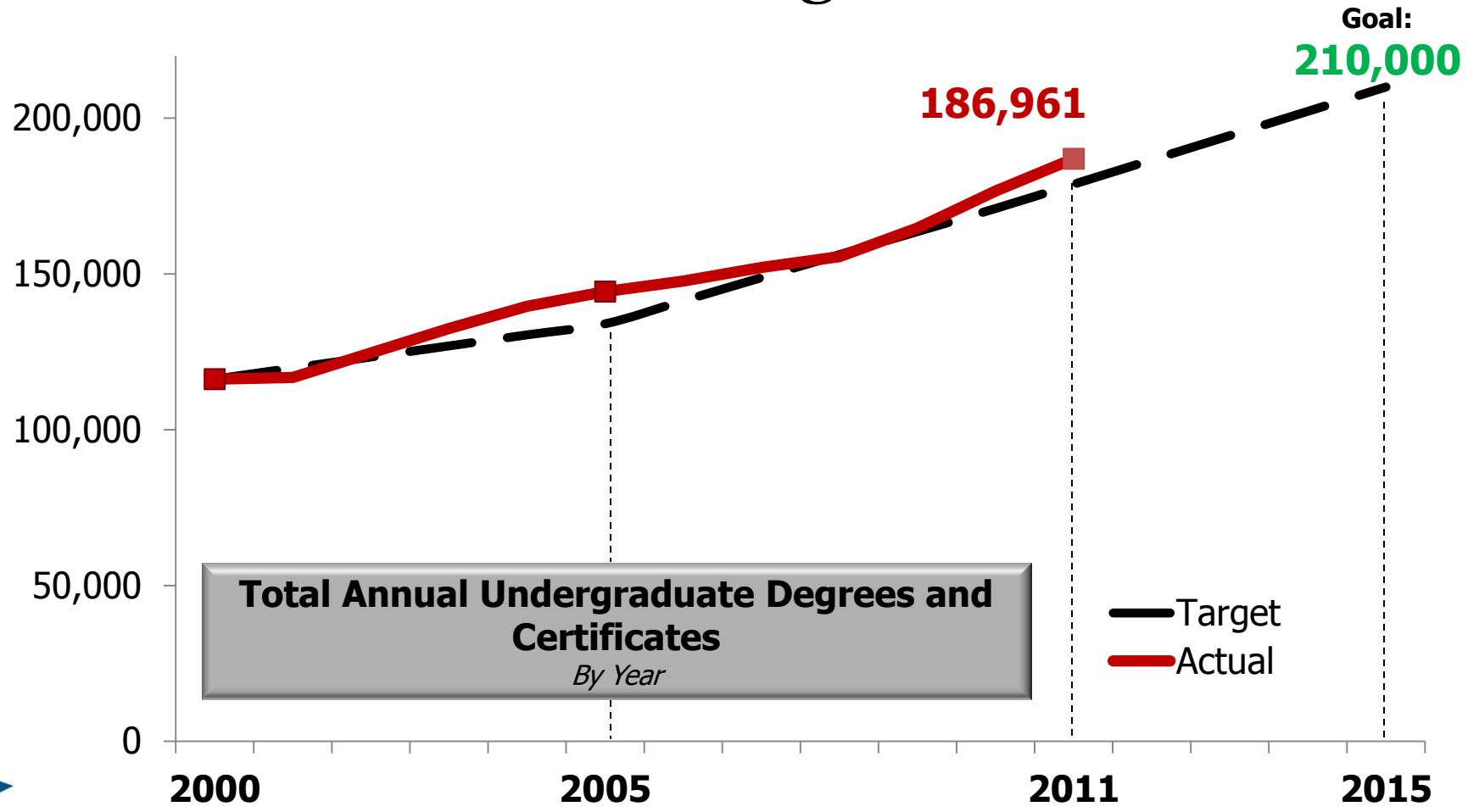
Texas is on track for meeting statewide **Success** goal



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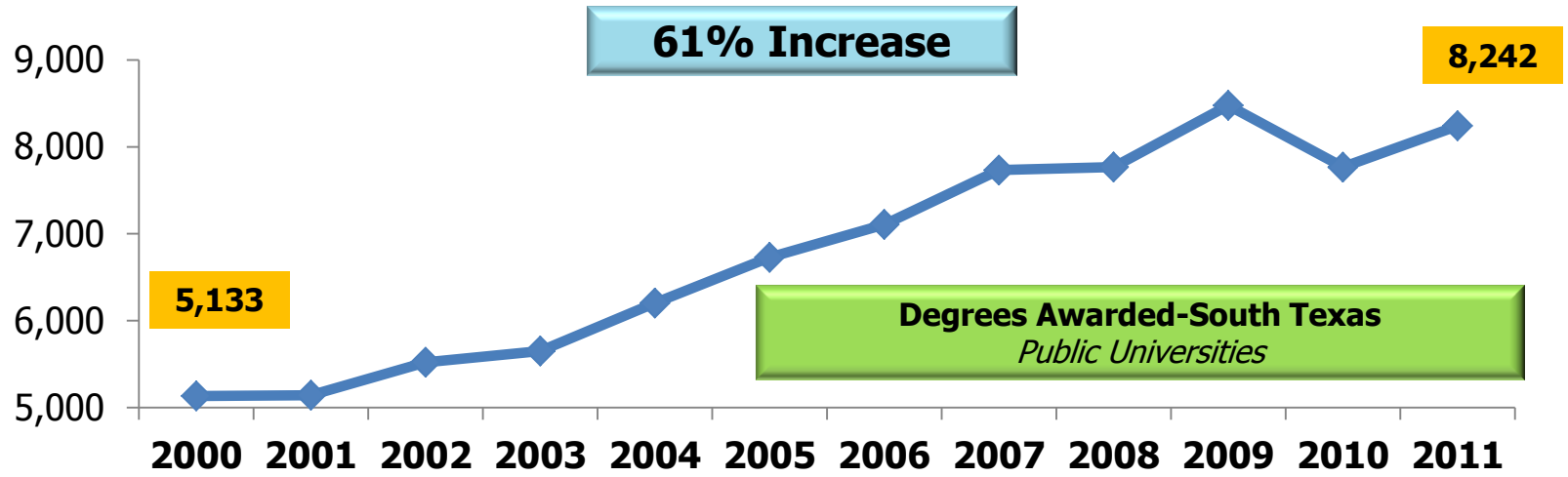
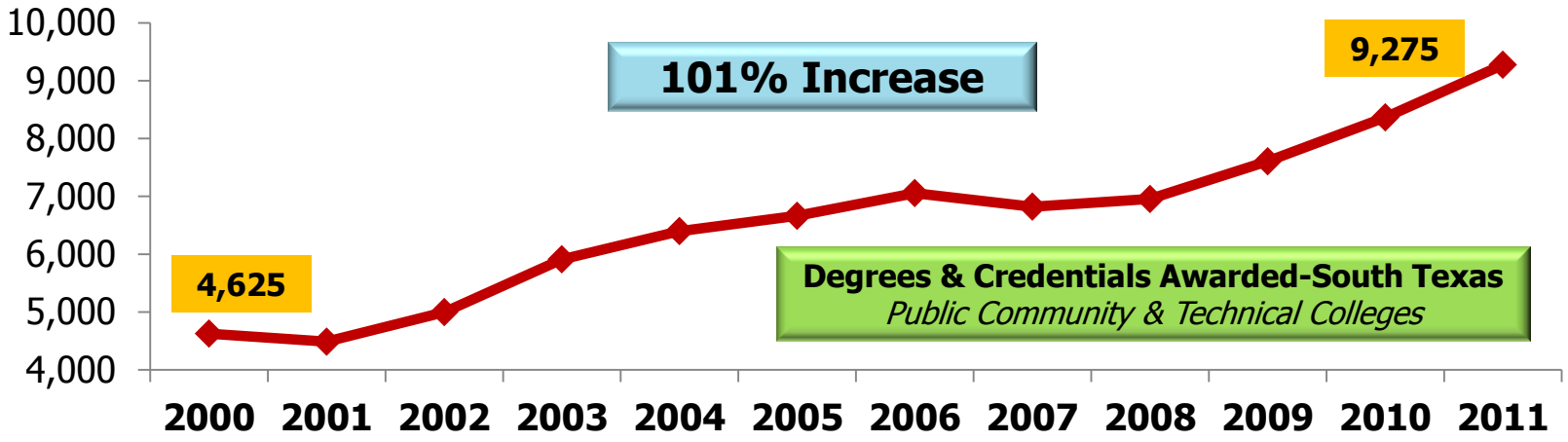
South Texas institutions have **increased annual output** in postsecondary credentials





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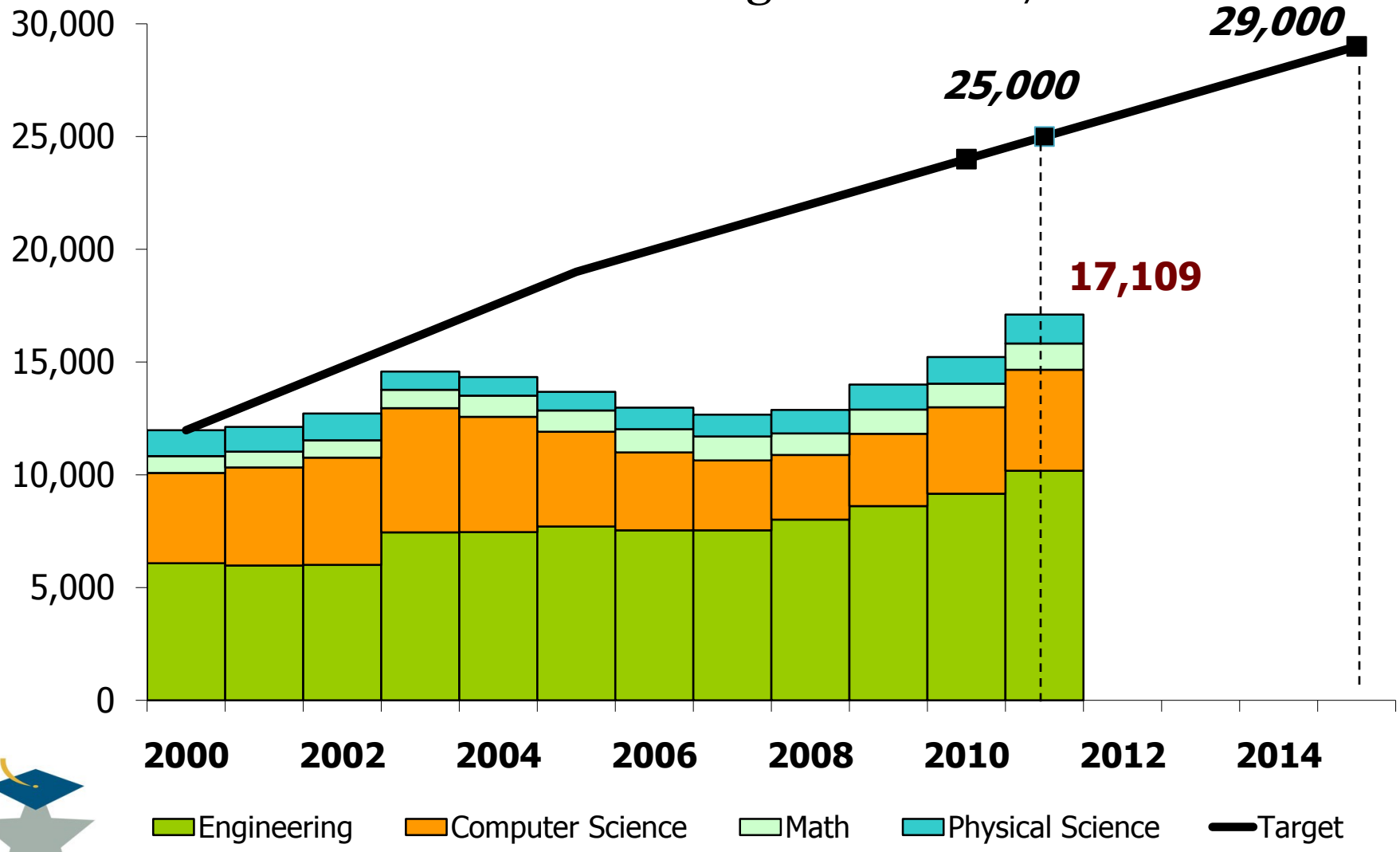
STEM field degrees are well below targets, but up 35% since bottoming out in 2007.



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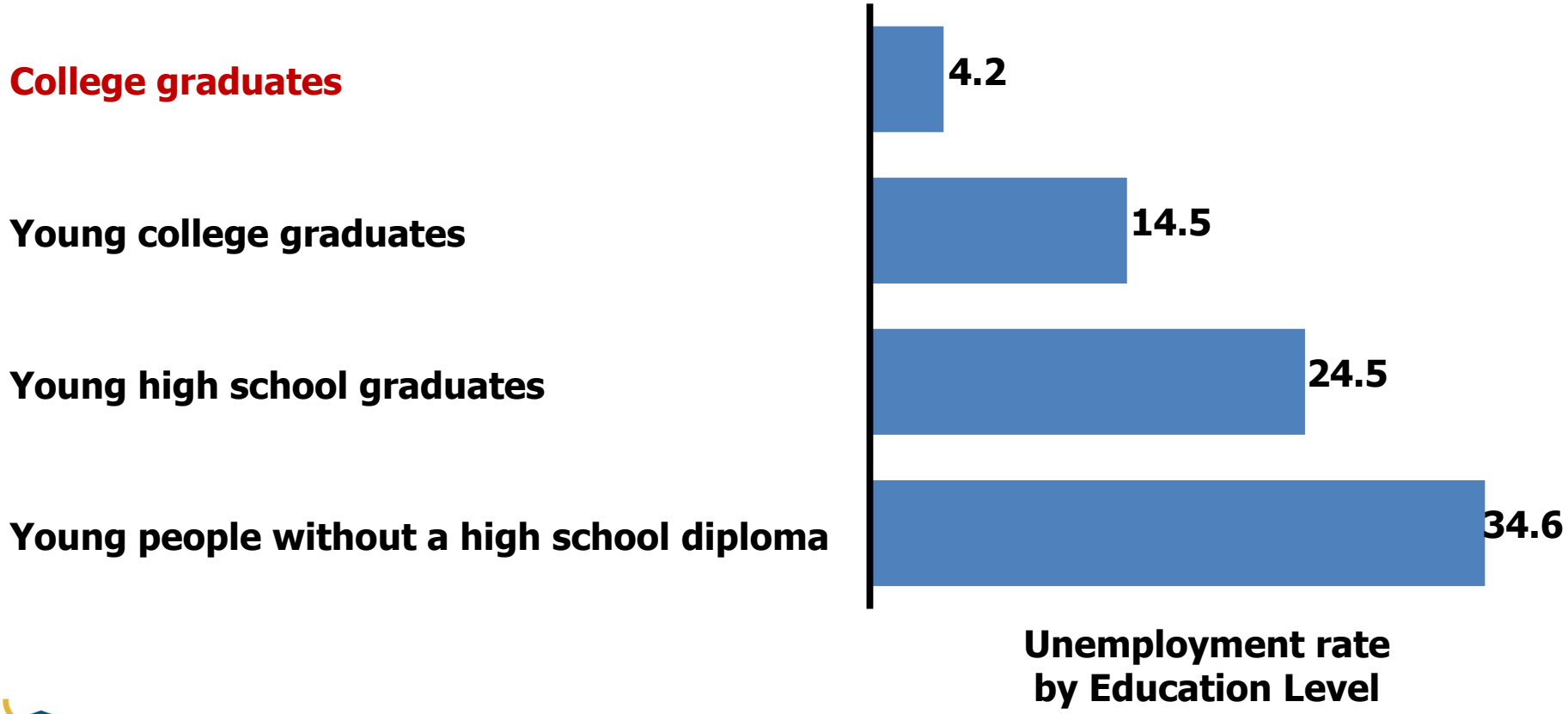
CORPUS CHRISTI CHAMBER OF COMMERCE
Prosperity. Together.

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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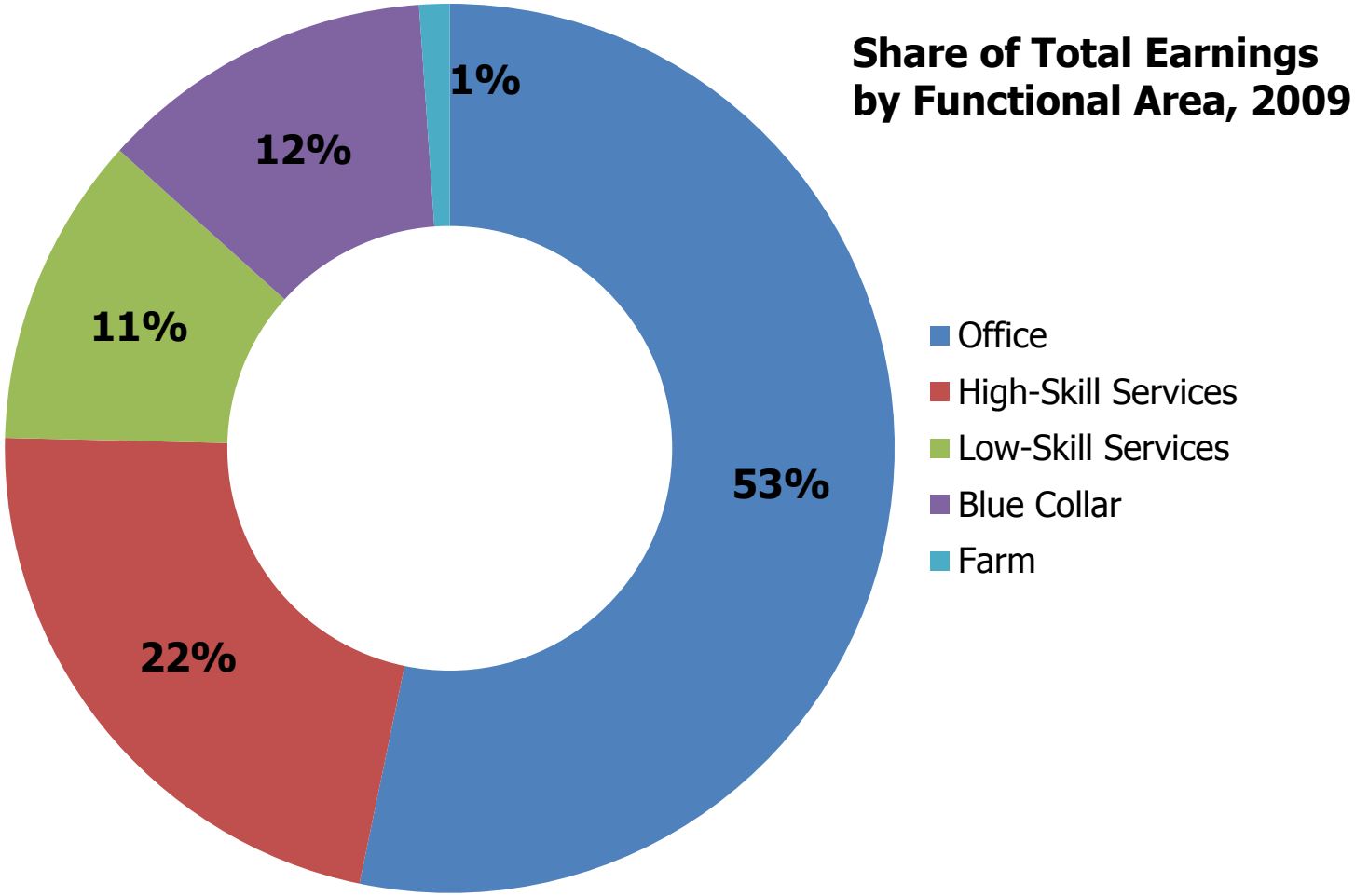
75% of earnings go to office and high-skill workers in the United States.



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

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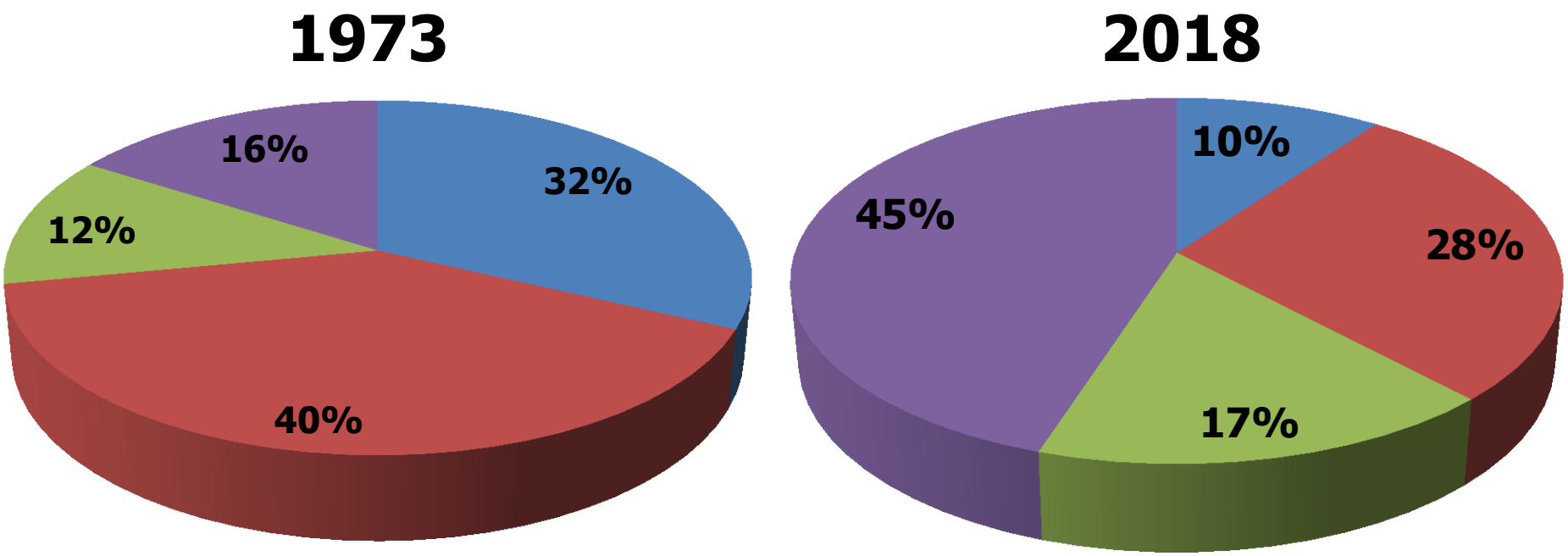
In 1973, only **28%** of all jobs in the U.S. required some postsecondary education compared to a projected **63%** by 2018.



- H.S. Dropout
- H.S. Grad
- Some college, including Certificates
- Associate's degree or higher

58% of all manufacturing jobs will require postsecondary education by 2018.

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

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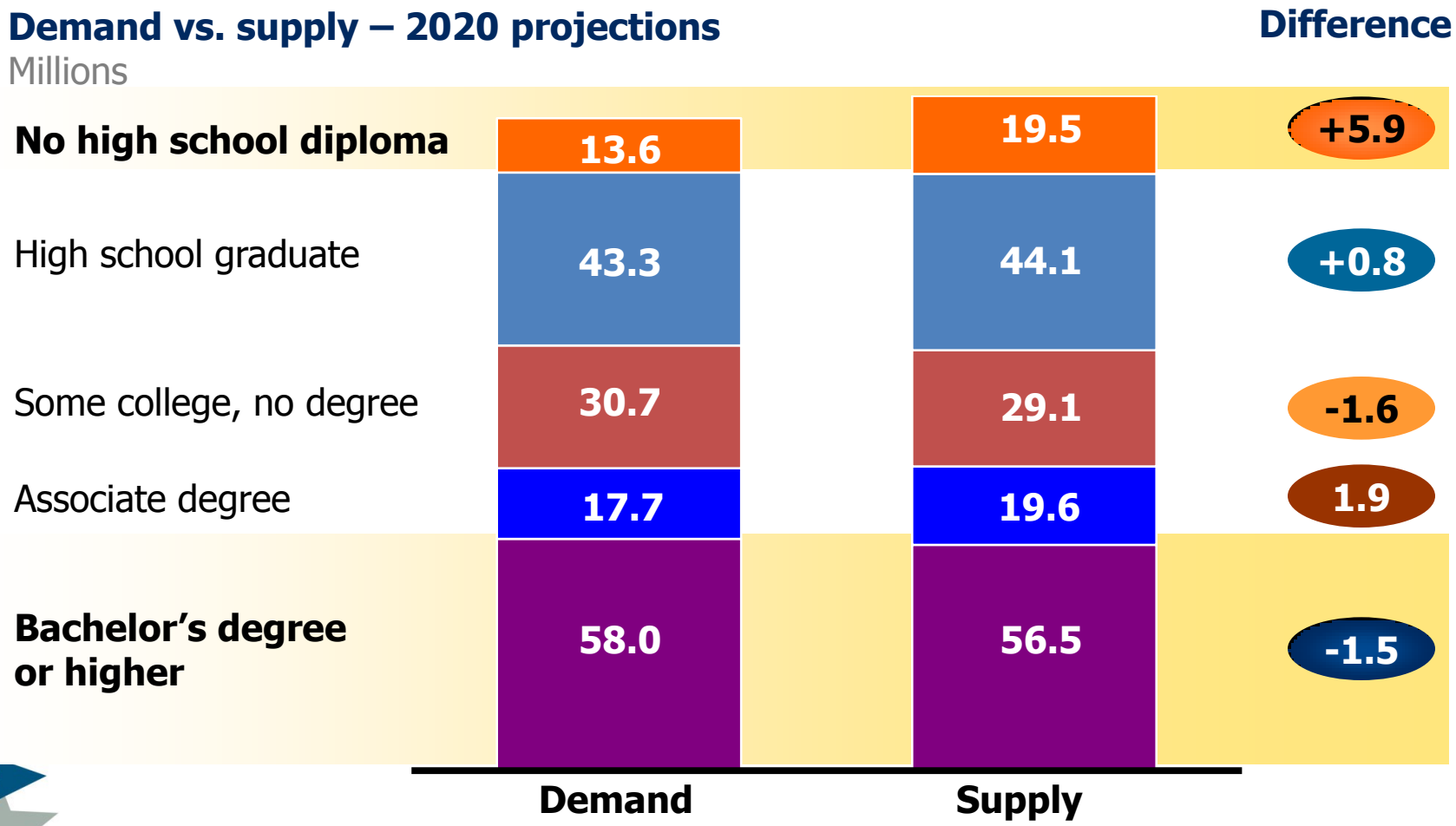
The United States is projected to have **a mismatch between future jobs and workforce skill/education**



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

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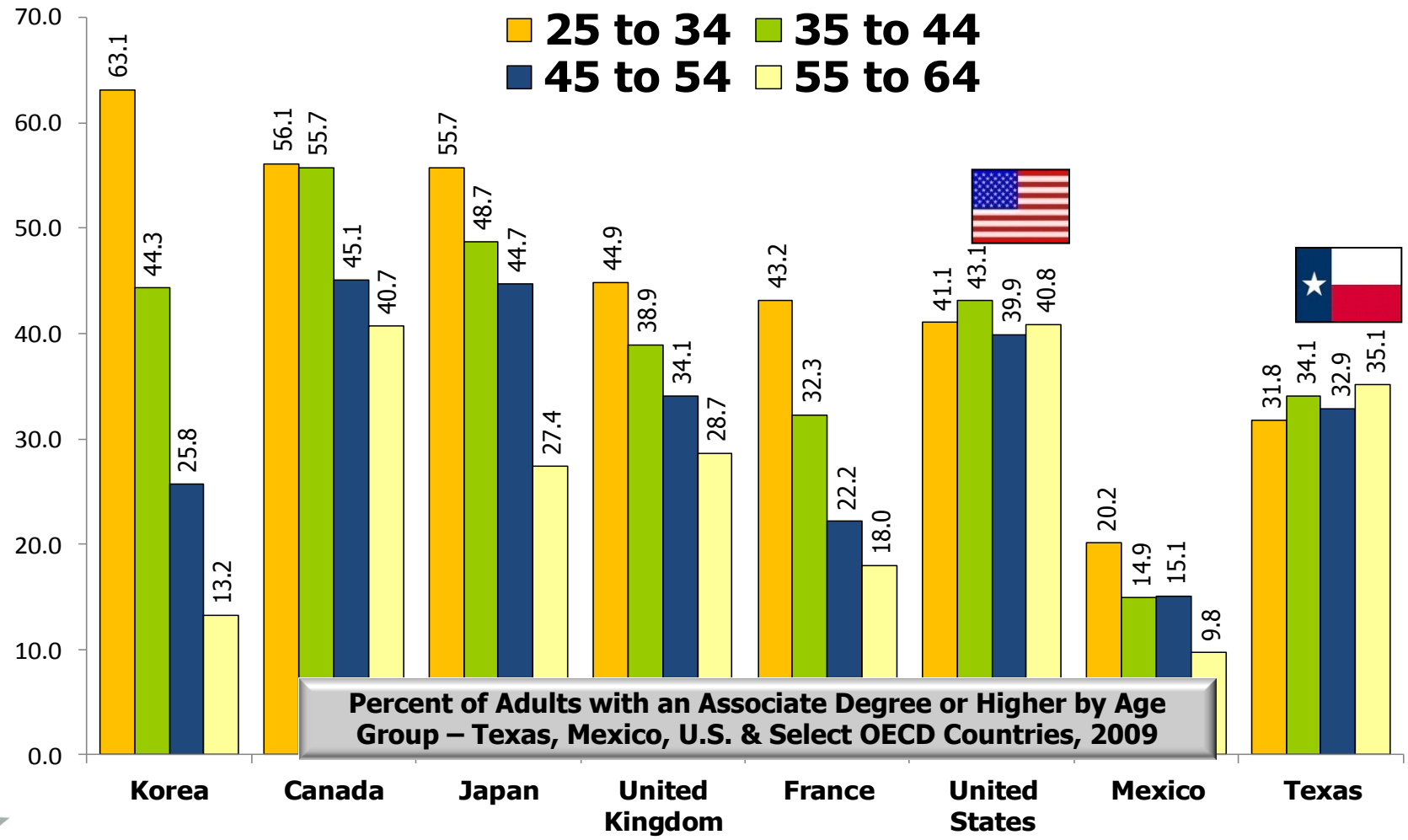
The result: Texas is quickly falling behind which will hinder the state's global competitiveness.



Percent of Adults with an Associate Degree or Higher by Age Group – Texas, Mexico, U.S. & Select OECD Countries, 2009

Source: OECD, Education at a Glance 2011

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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 "Momentum Points" – specific measures of student success and persistence.

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

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Our vision for the next generation of learners will require "disruptive innovation"

Improving the availability and effectiveness of technology on campus is an **opportunity** for institutions:

- **43%** of students agree their institutions need more technology
- **Only 1 in 4 (22%)** students strongly agree their institutions use the technology they have effectively.

Texas Affordable Baccalaureate Program

STC South Texas College

TEXAS A&M UNIVERSITY COMMERCE

EDUCAUSE CENTER FOR APPLIED RESEARCH

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Source: EDUCAUSE Center for Applied Research

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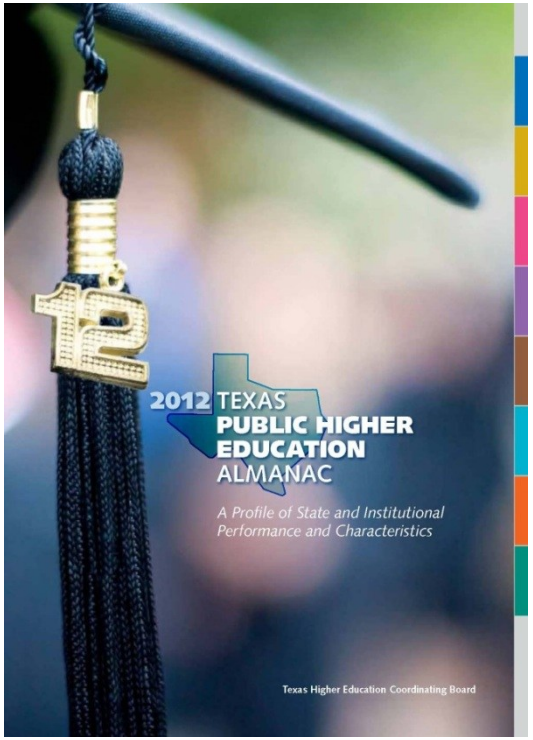
Access to relevant data on higher education performance is critical



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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