

Texas Education Review

Education: Key to Continuing the “Texas Miracle”

Representative Donna Howard, MHE

*Texas House of Representatives, House Appropriations and
Higher Education Committees*

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As a life-long Austinite, I am unabashedly big on Texas. I love this state, and I believe we have the people and the resources to accomplish whatever we set our minds to. I can even buy into the oft-touted “Texas Miracle” – the ability of our state to maintain a robust economy, even while in the midst of a nationwide downturn – but only up to a point. We can reap the rewards of our natural resources and “business friendly” policies for only so long before we must tend to the infrastructure – capital and human – needed to sustain this growth.

There is no question that we live in a business-friendly state. Just ask Governor Perry, who has been crisscrossing the country with “Texas is Open for Business” signs, actively recruiting – some might even claim stealing – businesses, encouraging them to pull up stakes and set up shop in Texas. He trumpets the state’s low tax burden and limited regulations as proof-positive that our chief priority is to foster an environment that will create jobs and drive our economy forward (Ramsey, 2013). Yet, there is another part of the equation that gets short shrift in these public relations jaunts, as well as in our state budget – that is, the infrastructure that supports businesses and the working families who keep those companies running. This not only includes adequate water and energy capacities and an efficient transportation system, but also the necessary human capital infrastructure to maintain a healthy and educated workforce pipeline.

Though there is heated debate over where the role of government should begin and end, it is universally agreed upon that *education is the highest responsibility of state government*. In fact, public K-12 and higher education expenditures make up more than half of the state's general revenue budget. The state also sets policy and provides oversight, which is a huge undertaking in a territory as expansive and populous as Texas. When one considers that our state ranks number one in the percentage of residents without a high school diploma, while at the same time projections indicate that about 60% of all jobs in Texas will require post-secondary training or education by 2020 (Carnevale, Smith, & Strohl, 2010), the stakes appear extremely high.

We made excellent progress over the past decade in terms of increasing our college-going population. In fact, enrollment at our public institutions increased by 26.5% while community college enrollment grew by 63.9% (Barron, 2013). Further, if you examine the trends of the past two decades, the number of students taking the SAT nearly doubled, increasing by 99% (Kuczera & Field, 2013)!

This news is certainly welcome. However, increased enrollment does not necessarily lead to greater completion rates; nor does it ensure that students are prepared to be successful in their studies or in the workplace. The six-year completion rate for general academic institutions is 57%, while the community college three-year transfer/completion rate is only 28% (THECB, 2013). In terms of college readiness, according to the Texas Higher Education Coordinating Board, 31.5% of new high school graduates enrolled in higher education in fall 2011 were not ready for freshman-level work and required remediation. Using English and math scores on state standardized tests, SAT, or ACT, the Texas Education Agency deemed a mere 52% of fall 2011

students to be college ready. Keep in mind that only 48.2% of 2011 graduating high school students even enrolled in higher education. A recent report for the Houston Endowment by the National Center for Higher Education Management Systems reported that only 16.1% of male eighth-grade students in Texas public schools earn a post-secondary degree or certificate within six years of their expected high school graduation. This drops to 7.7% for African-American males and 8.9% for Hispanic males (THECB, 2013).

Texas, We Have a Problem

Getting back to state government's role in education, funding decisions are front and center. Though Texas ranks 27th in per capita personal income, its ranking drops to 48th in state expenditures per capita. As stated earlier, the K-12 student population grew by more than 20% over the past decade, but constant dollars over that period were relatively flat. Further exacerbating funding needs, these students – the fastest growing cohort – are economically disadvantaged and learning English as a second language, thus costing even more to educate. And, though I am extremely pleased that the 83rd Legislature increased funding for both K-12 and higher education, this comes on the heels of unprecedented budget cuts that were not fully erased.

Rising higher education tuition is a significant issue for many Texans. Following the Legislature's deregulation of tuition in 2003, rates significantly increased as costs were shifted from the state to the consumer. In fact, state support has been dwindling over time. In the 1984-1985 school year The University of Texas at Austin counted 47% of its budget from state appropriations. By the 2012/13 school year, that

appropriation diminished to only 13% (University of Texas Budget Office, 2013).

Some legislators suggest that higher education institutions are bloated and inefficient, and that the remedy is to base funding on outcomes, such as the number of graduates or the length of time a student takes to complete their degree program. There is no question that our focus needs to include indicators like retention and completion and not just enrollment, but for four-year institutions in Texas, outcomes-based funding should be used for *additional appropriations beyond the base* rather than to supplant current, inadequate amounts. Some institutions already dedicate themselves to bettering outcomes – without state intervention, the University of Texas at Austin set a goal of increasing completion rates to 70% with a “stepped-up freshman orientation to reshape a campus culture that has long tolerated a more leisurely trajectory to graduation; the appointment of a senior vice provost to champion the four-year graduation cause; and the allotment of \$5 million to encourage students to finish on time, with some of that money earmarked for financial aid to those making steady academic progress” (Mackowiak, 2013).

On the other hand, outcomes-based funding properly lends itself to our technical colleges whose mission is to offer “occupationally-oriented programs with supporting academic coursework, emphasizing highly specialized advanced and emerging technical and vocational areas for certificates or associate degrees” (Texas State Technical College, 2013). At the request of the technical colleges, funding will now be based 100% on a formula that determines additional state tax revenue generated by students as a result of their post-graduation employment. Community colleges also will be funded partially on outcomes for 10% of their appropriation based on student success points such as completion of developmental coursework,

completion of certification/degree, and transfer to a four-year university (Texas Association of Community Colleges, 2013).

One final, critical funding issue that became a political pawn in the recent legislative session, and especially the three subsequent special sessions, was the Tuition Revenue Bonds (TRBs) that are used to finance capital projects on higher education campuses. Though secured by tuition payments, these debts historically are covered by state appropriation. The last time TRB legislation passed into law was in 2006. The lack of subsequent capital improvement dollars, coupled with the tremendous growth in enrollment, prevents some institutions from accommodating students or providing much-needed science and technology degree programs. Both the House and the Senate overwhelmingly approved funding for TRBs that would have supported institutions across the state, but the legislation unfortunately fell victim to deadlines at the end of the regular session. Hope was revived during all three special sessions, and there were reports of Governor Perry hinting that he would add TRBs to the call if legislators passed other prioritized bills. However, when the 83rd Legislature gaveled to a close, it did so without delivering much-needed campus construction funding to help Texas continue building an educated workforce pipeline. There was no word from the Governor's office as to why this important issue was not added to the interim charges despite the pleas of every state institution of higher education and a letter of support signed by more than 60 legislators from both parties.

Conclusion

Texas is the envy of many as we have weathered the storms of fiscal downturns and rebounded in a strong position. But we need more than business-friendly taxation and regulation

policies. We need adequate investment in infrastructure and human capital. When groups like the Texas Association of Business are testifying that businesses are facing a looming problem of not enough qualified workers, it should be evident that our education system will soon have a drastic impact on our fiscal future (Stutz, 2013). There is no reason we cannot have both educated children and a healthy economy, and citizens must loudly and clearly convey this to lawmakers. Adequate funding of education offers the best return on investment and ensures the future growth and prosperity of our state. That will be the real “Texas Miracle.”

Donna Howard was elected to the Texas House of Representatives in 2006, and currently sits on the House Appropriations and Higher Education Committees. A strong advocate for public education, she served on the Eanes ISD board in West Austin from 1996 to 1999, and is certified as a Master School Trustee by the Texas Association of School Boards. Born and raised in Austin, Howard graduated from Reagan High School, and earned a bachelor’s degree in nursing (1974) and a master’s in health education (1977) from The University of Texas at Austin.

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