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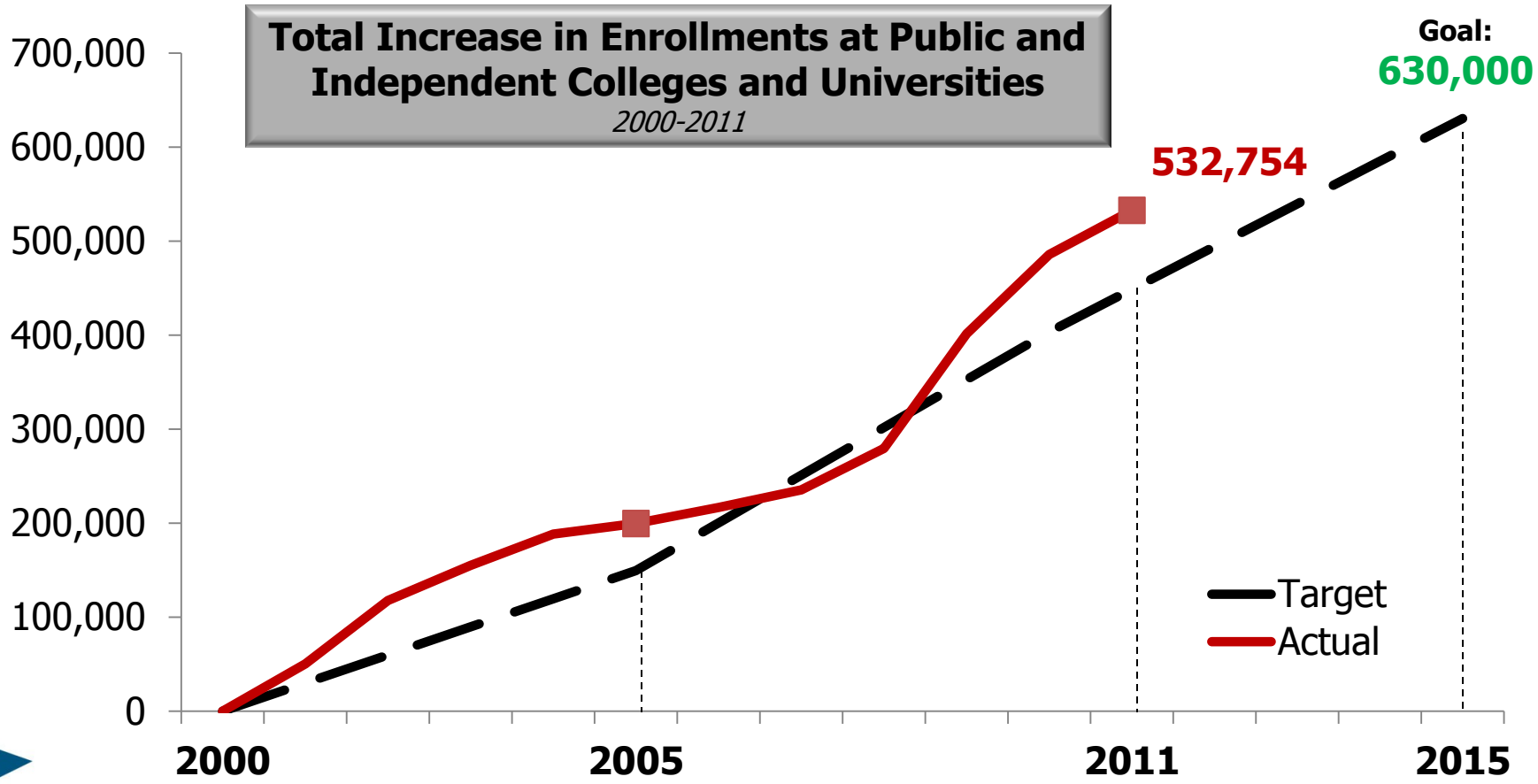
# Progress on *Closing the Gaps* and the Future of Higher Education and the Texas Workforce

**August 7, 2012**

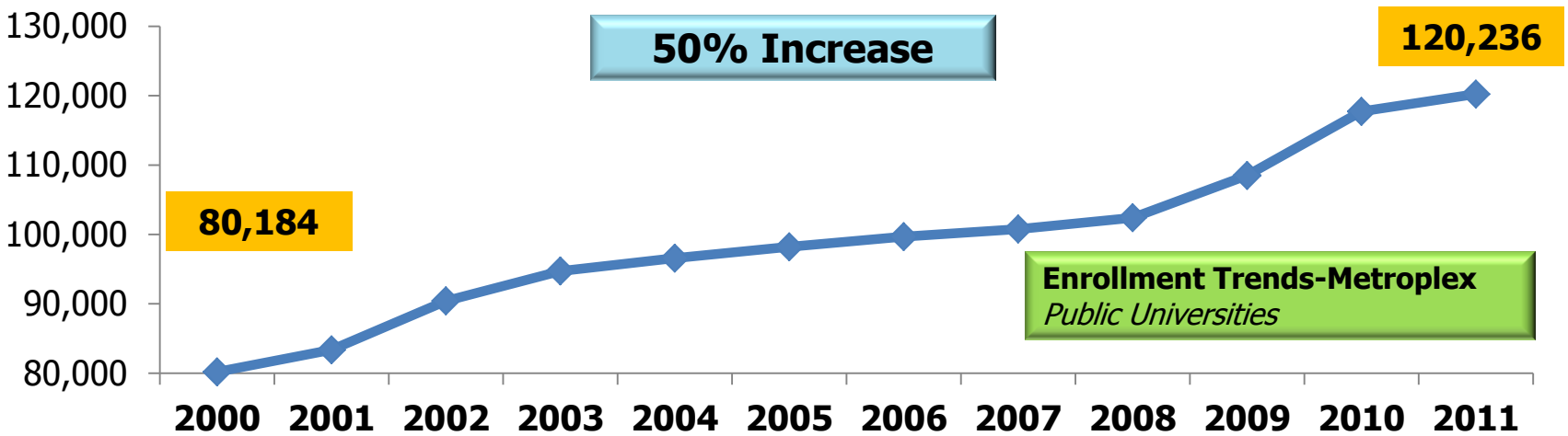
**Dr. Raymund Paredes**
Commissioner

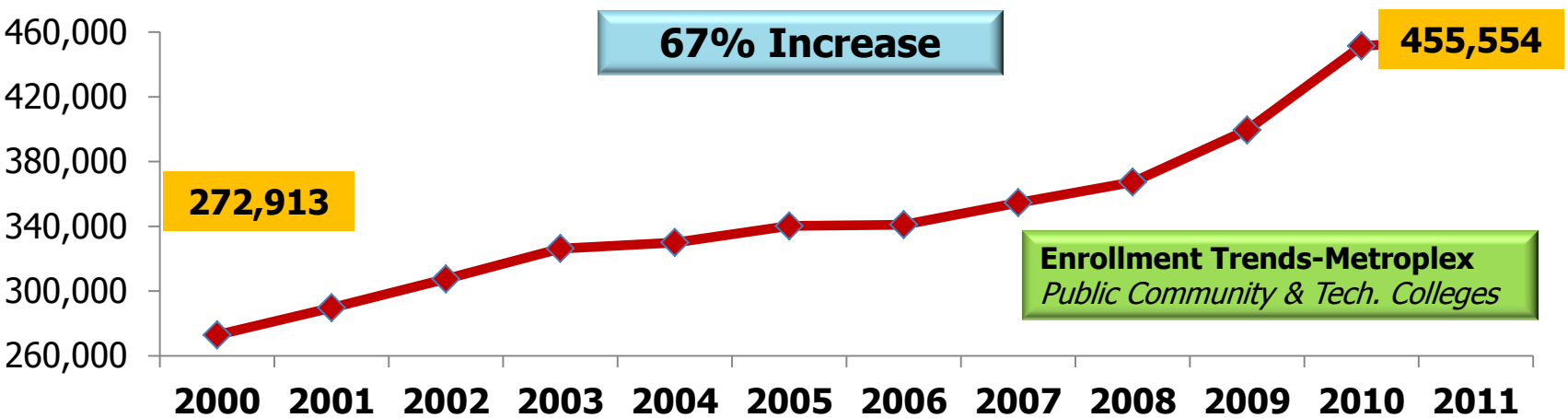
# Texas remains on track to meet statewide **Participation** goal




Texas Higher Education Coordinating Board

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

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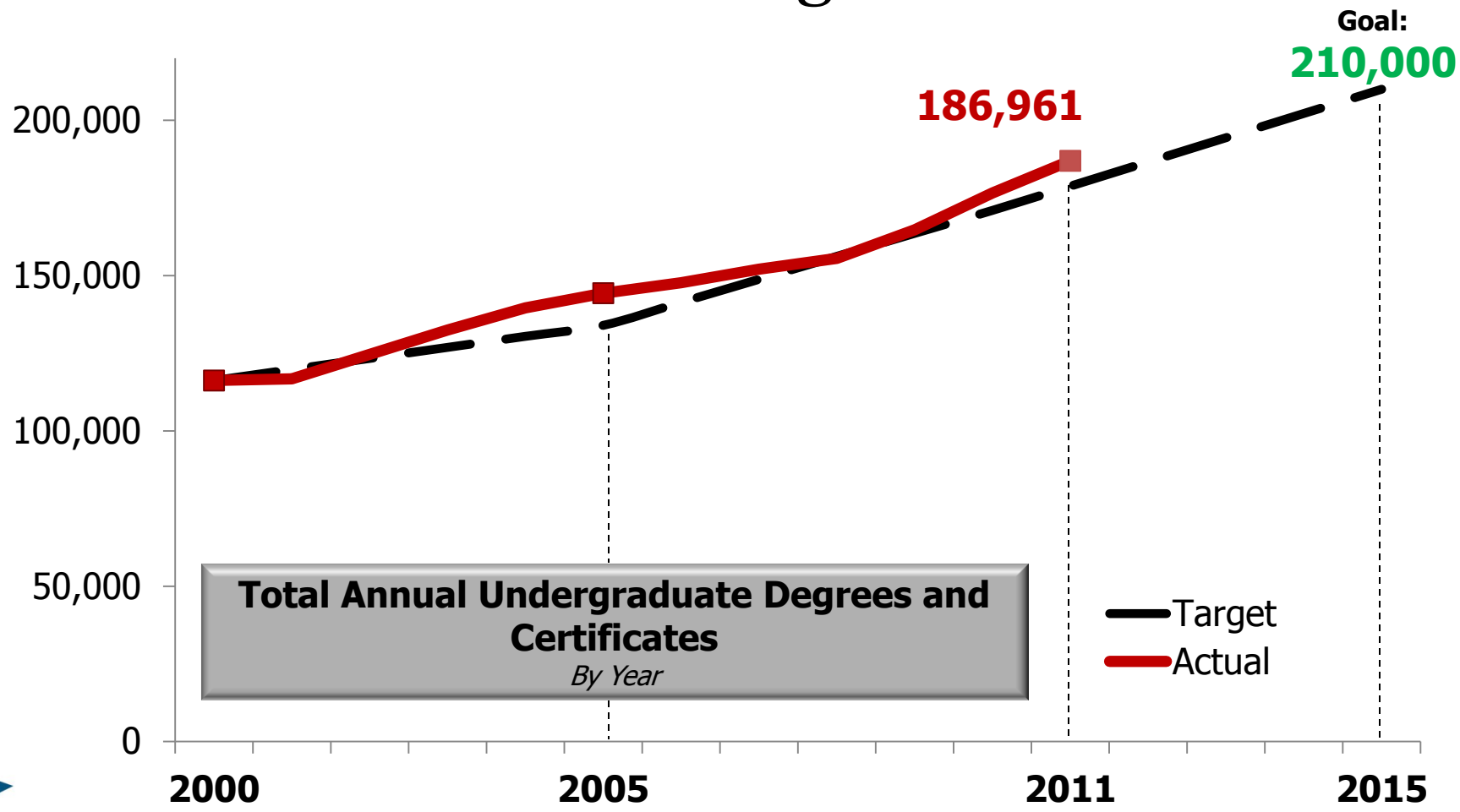
# Texas is on track for meeting statewide **Success** goal

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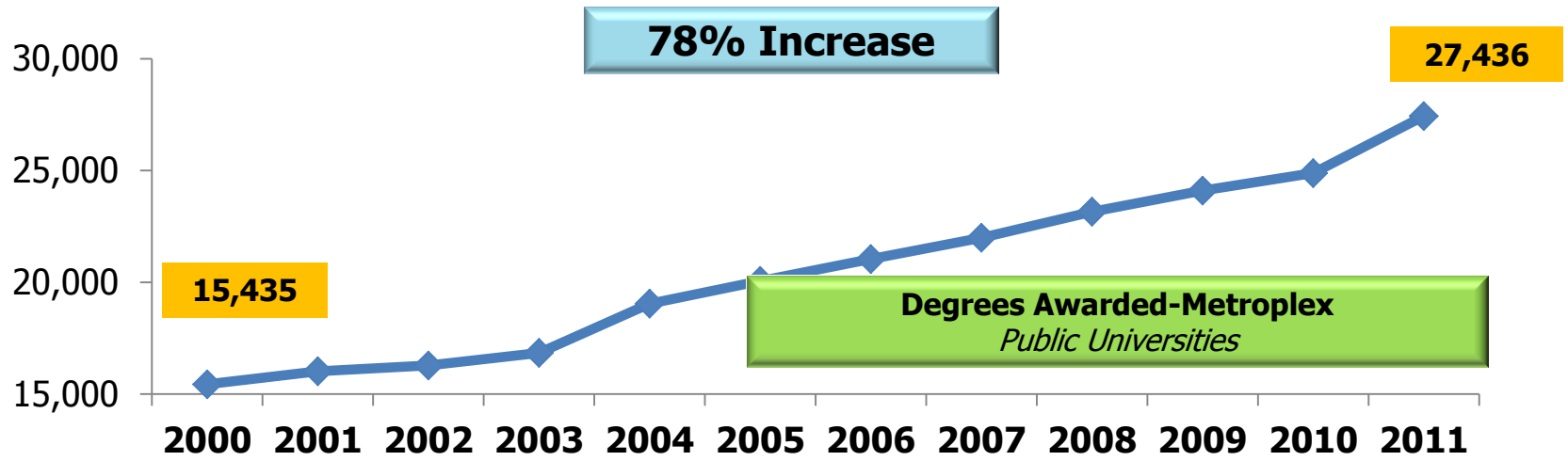
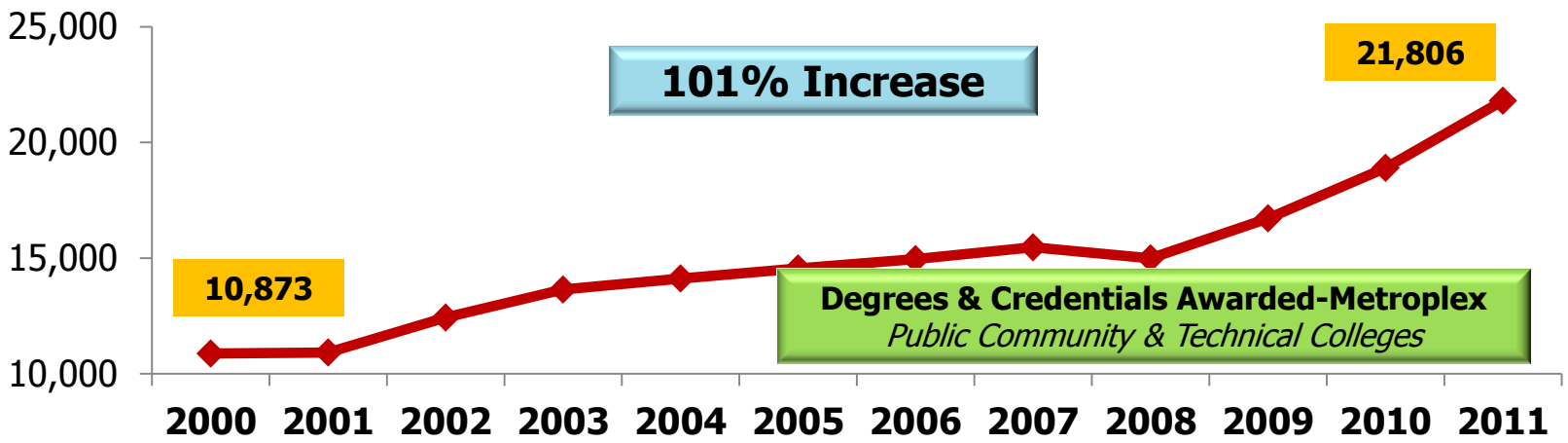
# Metroplex institutions have **increased annual output** in postsecondary credentials

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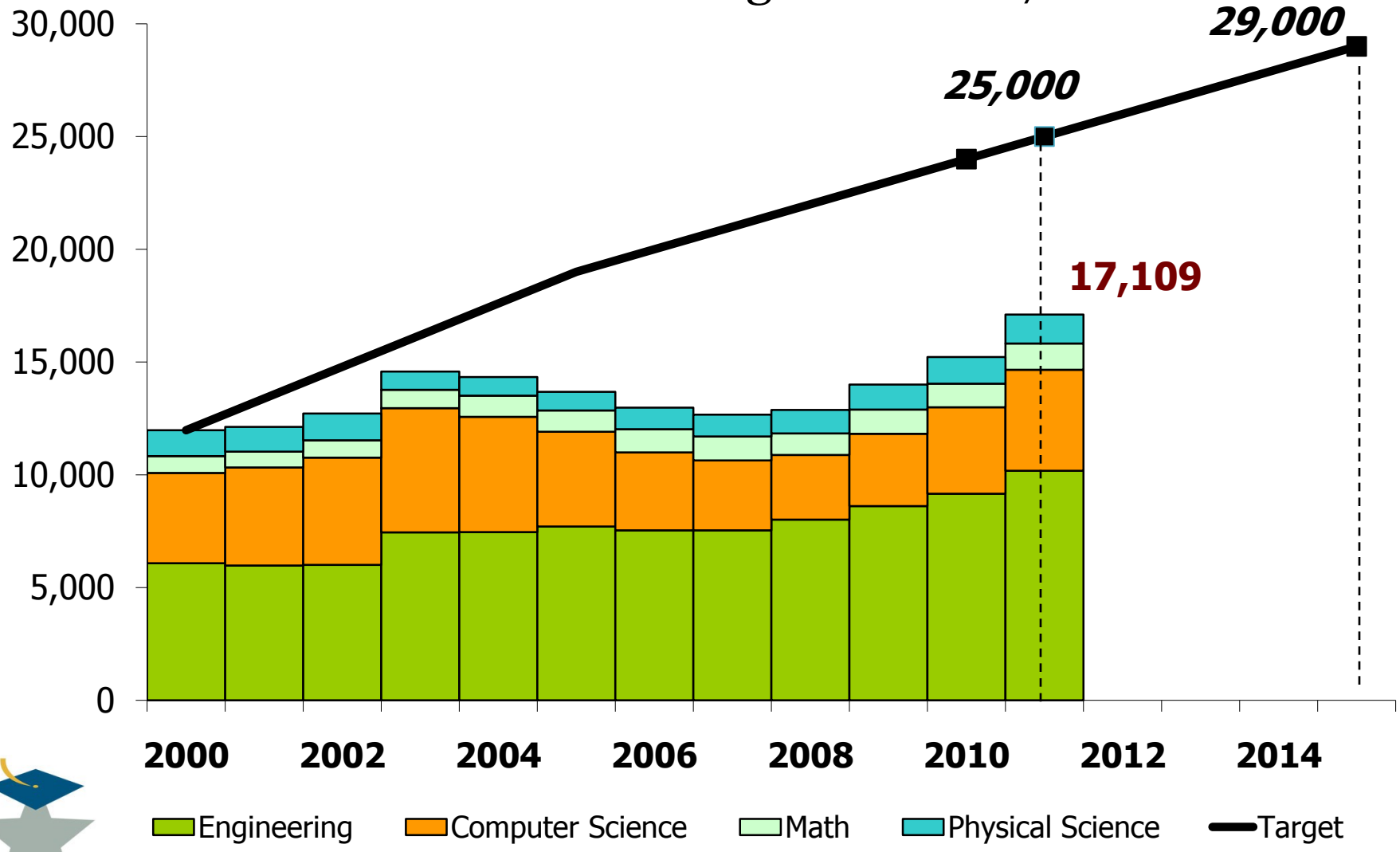
# **STEM field degrees** are well below targets, but up 35% since bottoming out in 2007.

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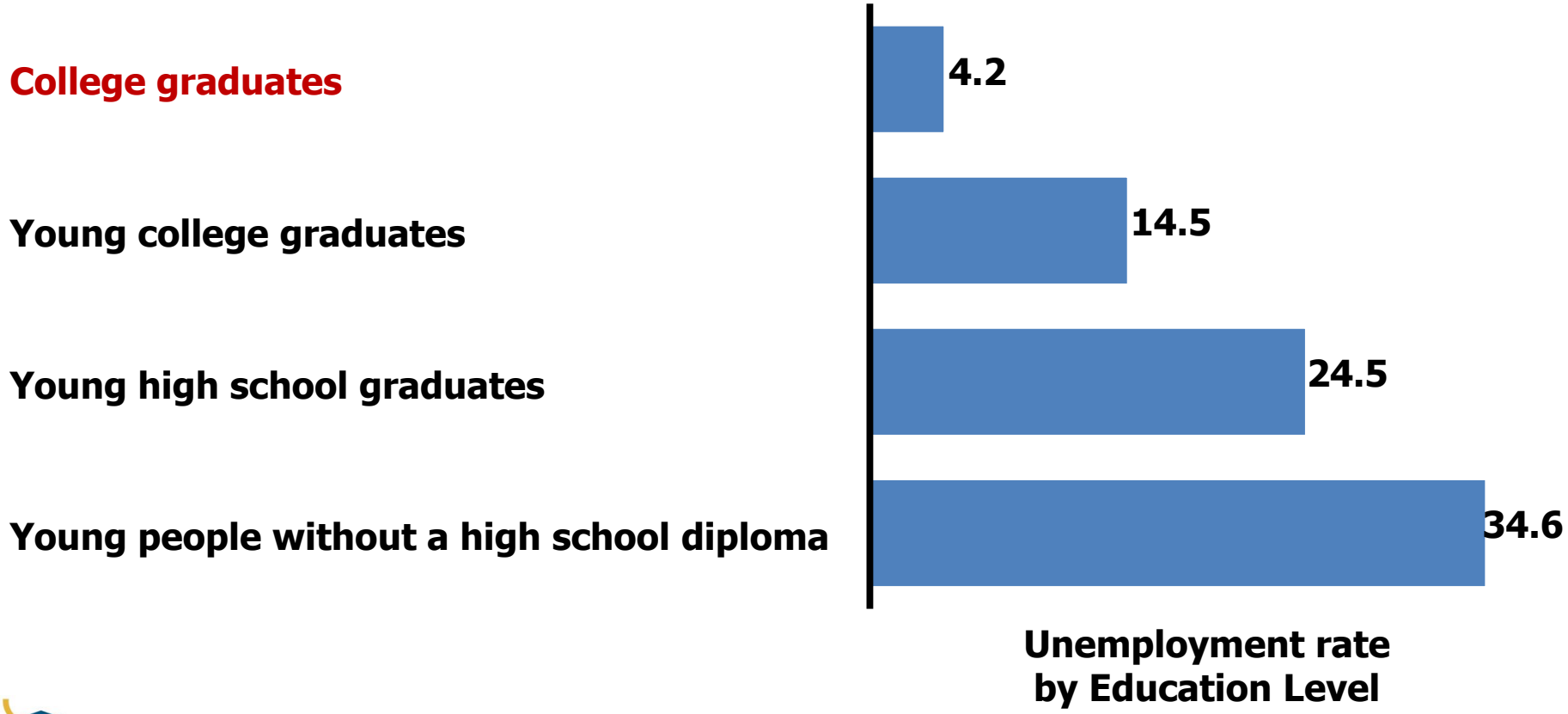
# Improving Higher Education Outcomes and Alignment with Workforce Demands

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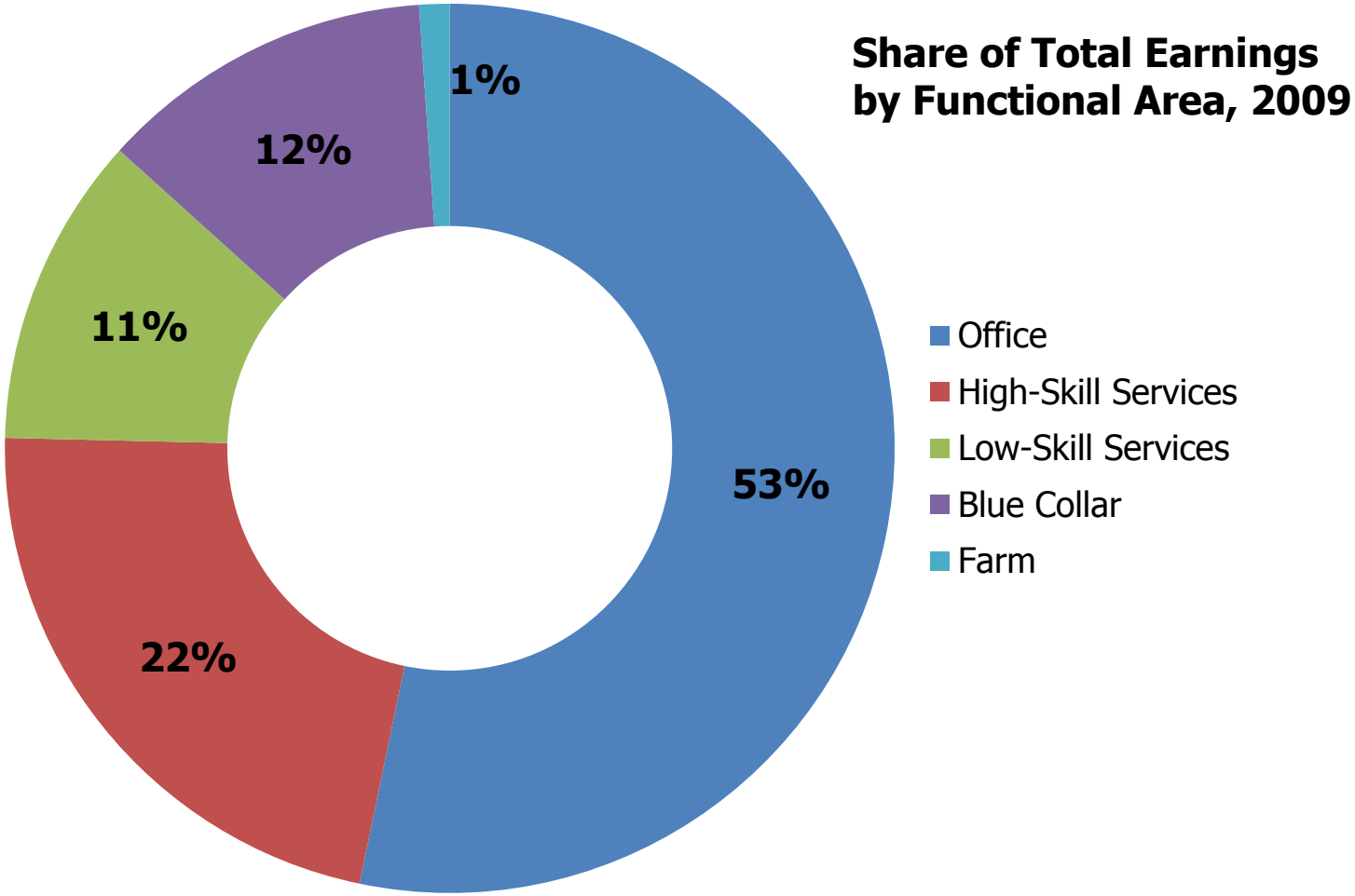
# 75% of earnings go to office and high-skill workers in the United States.




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

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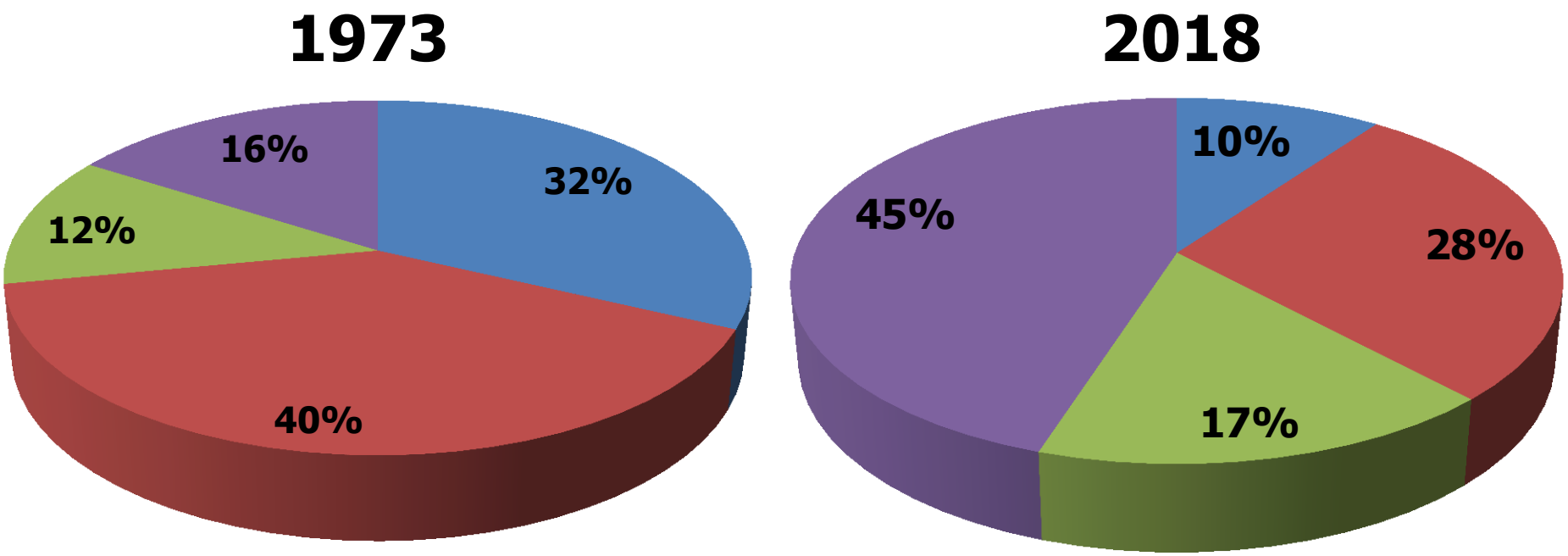
In 1973, only **28%** of all jobs in the U.S. required some postsecondary education compared to a projected **63%** by 2018.




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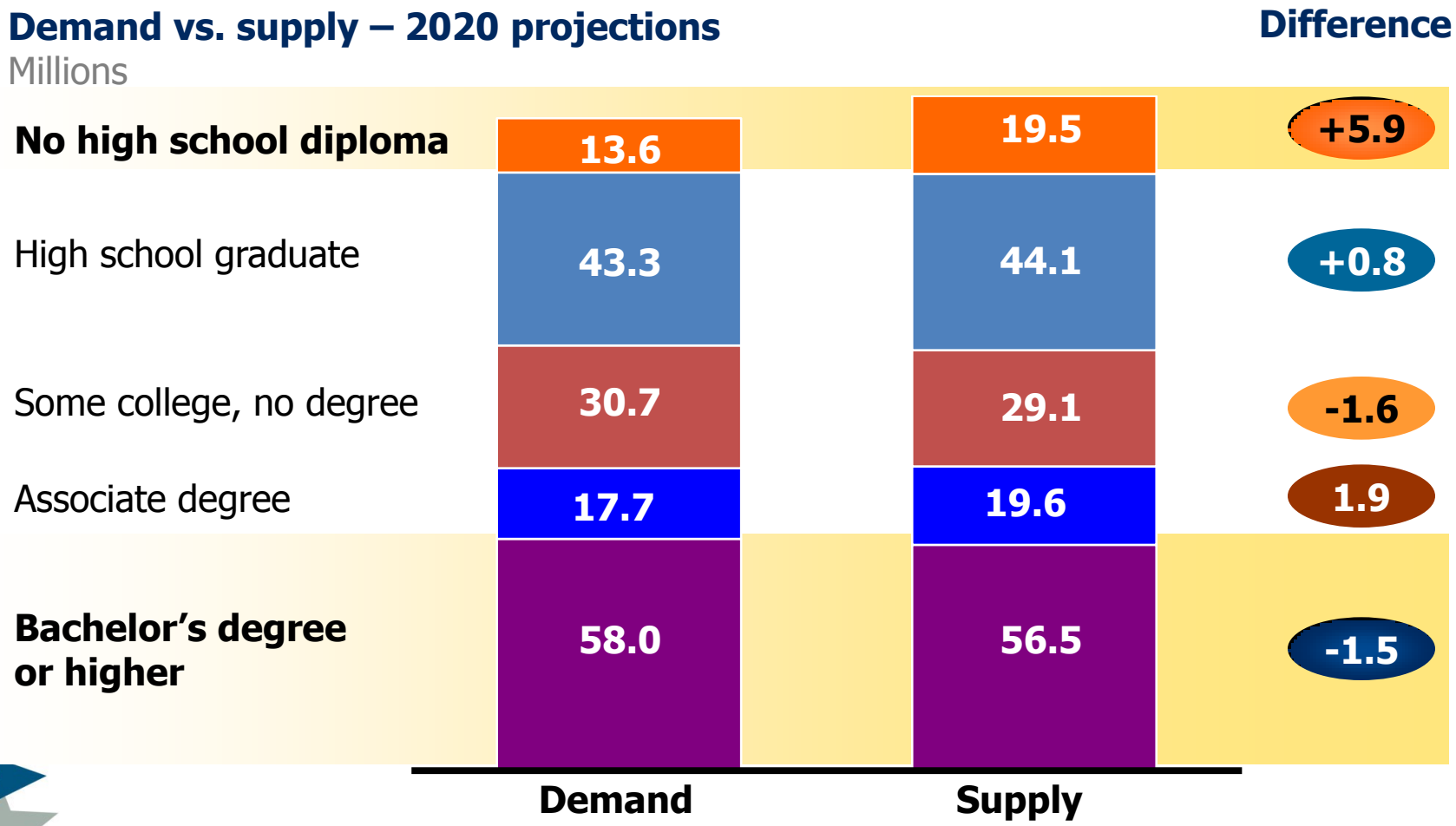
# The United States is projected to have **a mismatch between future jobs and workforce skill/education**




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

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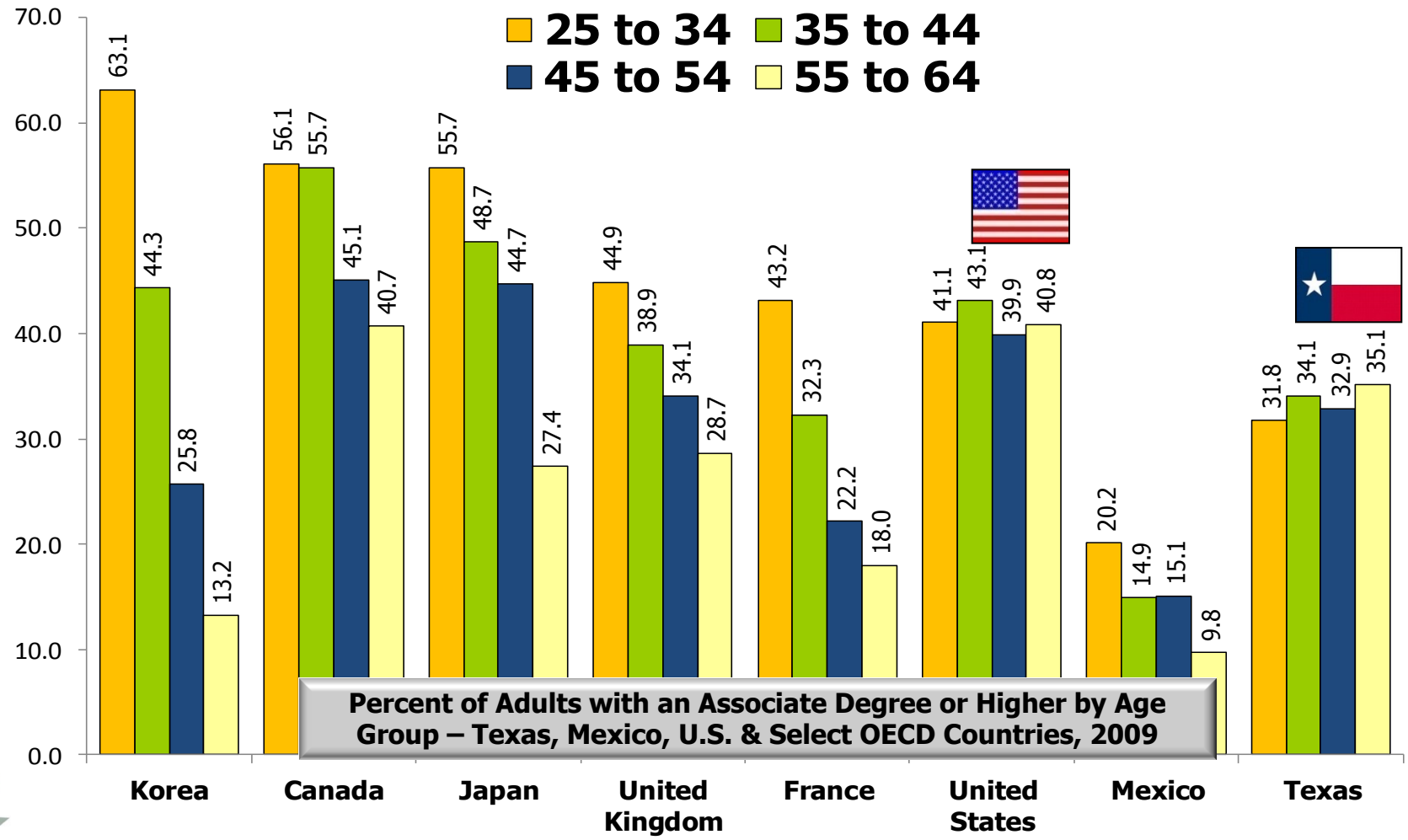
# The result: Texas is quickly falling behind which will hinder the state's global competitiveness.




**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 "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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# 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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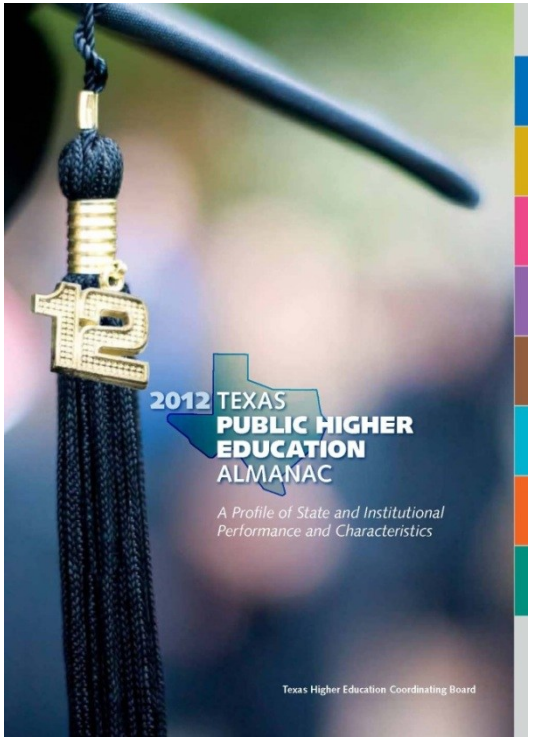
# Access to relevant data on higher education performance is critical




**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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