



Texas Public Policy Foundation
**LEGISLATOR'S GUIDE
TO THE ISSUES
2021-2022**

Aligning Career and Technical Education With Workforce Outcomes

The Issue

Secondary career and technical education (CTE) is a proven pathway to economic mobility and self-sufficiency for students and a potentially important partner to industries for regional workforce pipelines. According to the Department of Education, students who concentrated in a CTE pathway were more likely than other students to graduate from high school by expected graduation year (94% and 86%, respectively), to enroll in postsecondary education by 8 years after expected graduation (84% and 82%), to be employed full time 8 years after graduation (72% and 67%), and to earn more over time.

In Texas, within the Texas Education Agency (TEA), CTE programs of study are developed to ensure students are prepared for in-demand, high-skill, and high-wage careers. During the evaluation process of Texas public schools, TEA accounts for the administration of these CTE programs using college, career, and military readiness (CCMR) standards.

TEA uses an accountability system to evaluate the academic performance of Texas public schools according to three domains: student achievement, school progress, and closing the gaps. Under the student achievement domain is the CCMR component which measures graduates' preparedness for college, the workforce, or the military. Recognizing the value of CCMR standards, the Legislature introduced in the school finance bill HB 3 a corresponding CCMR outcomes bonus. This provides incentive for school districts to best prepare students for life after secondary schooling. A school district is entitled to this outcomes bonus if graduates demonstrate readiness for college, a career, or joining the armed forces.

Under the outcomes bonus structure, career readiness is indicated by graduates meeting college readiness standards in addition to earning an industry-recognized credential. It is understandable that earning an industry-recognized credential would qualify as an indicator of career readiness; however, a credential is not the definitive outcome of being career ready. A more robust indicator of career readiness is whether the graduate *gains employment once attaining a credential*. The college readiness component of this indicator, scoring at or above the "college ready" threshold on the TSI Assessment or a comparable SAT/ACT score, seems to miss the forest for the trees. The skills required to be career ready may or may not be the same skills required to be college ready. The metric is flawed because it equates being ready for college with being ready for a career. College readiness presupposes an aptitude for test taking and studying skills while career readiness entails possessing a specific skill set relevant to an industry. Skill sets vary by industry and are not necessarily testable in the same way that standardized tests used to demonstrate college readiness.

A focus on outcomes related to CTE can do much to improve the professional success of students across the state. Ensuring

that students are prepared for careers that are both in-demand and high-wage will provide them with the greatest opportunity for success. In a recent Texas Public Policy Foundation study of regional labor market trends and career and technical education, we highlighted that in most areas across Texas, educators and business leaders were out of touch. We found that, generally, most CTE concentrators were focused on industries that showed little to no projected regional job growth and paid below median wage. Conversely, industries with high projected job growth and an average salary above the state median had an extremely small number of students pursuing those pathways.

Although introducing the career readiness outcomes bonus was a step in the right direction, the way it is currently set up provides no incentive to align CTE with regional labor demand. School districts receive the same bonus whether the graduate begins a career or not. Districts could graduate 50 students that meet the career readiness bonus indicators and still get rewarded even if none of those students go on to be gainfully employed. Were the indicator for career readiness to be based on post-graduation employment and wages, school districts may be more inclined to focus their CTE efforts on industries with greater needs for workers.

The CCMR bonus could be improved in its promotion of career readiness in students by emphasizing high-wage, high-demand career pathways as alternatives to post-secondary enrollment at institutions of higher education. At its root, in statute, the bonus is intended to reward schools for furthering the goal set under 60x30TX, which prioritizes higher education enrollment. 60x30TX is an initiative of the Texas Higher Education Coordinating Board with the main goal of having 60% of the population of 25- to 34-year-olds attain a post-secondary degree or industry-accepted credential by the year 2030. While this is an admirable goal because of the potential value of a post-secondary credential or degree, all students should have the opportunity to gain marketable skills while still in high school. Considering that the rate of students who go on to complete their college education is below 50%, prioritizing the enrollment of students into post-secondary institutions seems to be misguided. Schools should be equally incentivized to prepare students for entry into high-wage, high-demand jobs.

The Facts

- CTE is a [pathway to economic mobility and self-sufficiency](#).
- CTE programs of study are [developed to ensure students are prepared](#) for in-demand and high-wage careers in Texas.
- A [college, career, and military readiness bonus](#) is awarded to school districts when graduates demonstrate readiness in one of the three areas.

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- Under the CCMR bonus structure, [career readiness is indicated by a graduate achieving college readiness and attaining an industry-accepted credential](#).

Recommendations

- Amend career readiness indicators that determine CCMR bonus award by adding a post-graduation employment indicator.
- Incentivize schools to prioritize CTE pathways that are aligned with their regional labor market.

Resources

[Mismatch? Aligning Secondary Career and Technical Education with Regional Workforce Demand](#) by Erin Davis Valdez and Sam Johnson, Texas Public Policy Foundation (May 2020).

“[Bridging the Skills Gap: Career and Technical Education in High School](#),” United States Department of Education (2019).

[Improving Outcomes for Texas career and Technical Education Students](#) by Erin Davis Valdez, Texas Public Policy Foundation (Dec. 2019).

[Completing College: A National View of Student Completion Rates – Fall 2012 Cohort](#) (Signature Report No. 16) by Doug Shapiro, Afet Dundar, Faye Huie, Phoebe Khasiala Wakhungu, Ayesha Bhimdiwala, and Sean Eric Wilson, National Student Clearinghouse Research Center (Dec. 2018).