



Testimony

HB 3204

Testimony Before the Texas House Public Education Committee

by Erin Davis Valdez, Policy Analyst

Chairman Dutton, Vice Chairman Lozano, and Members of the Committee:

My name is Erin Davis Valdez, and I am a policy analyst for career and technical education and workforce development at the Texas Public Policy Foundation. Thank you for the opportunity to testify in support of House Bill 3204.

As Texas recovers from the significant damages recently caused by Winter Storm Uri, the shortage of skilled tradespeople—such as [plumbers](#)—has become an urgent matter of public policy.

It is imperative that all students have access to career and technical education that will prepare them for high-wage, high-demand occupations that exist now and that are emerging in dynamic industries.

Data released by the Texas Education Agency (TEA) on March 9, 2021, sheds some light on a possible origin of this [skilled trade gap](#). Of 82,076 students who completed a career and technology education program of study in 2018-19, *only*

- 0.1% (or 123 students) were in HVAC and sheet metal,
- 0.1% (or 103 students) were in plumbing and pipefitting,
- 0.2% (or 196 students) were in electrical,
- 0.7% (or 578 students) were in welding, and
- 0.7% (or 573 students) were in IT support and services.

HB 3204 addresses this skilled trade gap in part by creating an incentive for schools to create pathways to high-demand, high-wage occupations. The current statute ([TEC 48.110](#)) allows schools to demonstrate career readiness by means of an industry-accepted certificate and college-ready cut-score on the TSIA test—the same one that college-ready students have to pass.

In short, our position is that the best means of demonstrating that a student is career-ready is that he or she obtained a high-wage, high demand job after graduation.

We are aware of the [fiscal note attached to this bill](#) yesterday and respectfully disagree with the methodology by which the number was generated. The fiscal note assumes that the wage threshold would be the “living wage” of \$23,873/year. The bill does not specify that the threshold is the “living wage”; rather, it empowers the TEA Commissioner to set the threshold. We would recommend that the indicator be at or above the state median wage, which is about \$37,000. This would significantly reduce the current fiscal note and better achieve the goal of rewarding high-wage career outcomes.

We can suggest a few considerations to further reduce the fiscal note (this is not an exhaustive list):

- First, the Commissioner can set the wage threshold at an even higher wage, such as 150-175% of the state median wage, or even specify that there must be alignment with high-wage/high-demand occupations. We would be happy to work with the committee and the TEA to include this in the language of a committee sub.
- Second, [according to the TEA](#), of the 36% of students in 2018 who met one of the Outcomes Bonus criteria, 35.7% met the College Readiness criteria, but only 2.3% met the Career Readiness criteria. There were students who qualified for both categories. The total number of “career-ready” graduates was 7,939, while 124,043 met “college-ready” standards.

We think that number is skewed in the direction of college readiness and that at least some of these students might qualify instead under the proposed criteria. These dual-qualified students would be a net neutral cost to the state.

- Third, the methodology employed in the fiscal note assumes that all students who qualify for the bonus would self-report back to the schools. This seems unlikely to be the case.

The intent of this bill is very simple: provide diverse opportunities for all students while better aligning CTE programs with high-wage, high-demand occupations.

We are eager to work with both the Chairman and the TEA to ensure that the intent of the bill is accomplished in a budget-neutral fashion. ★



Erin Davis Valdez

Erin Davis Valdez is a policy analyst for the Texas Public Policy Foundation's Right on Work initiative. She has been passionate about the transformational power of education all her life, having been given the gift of being homeschooled. She taught for over a decade in Austin-area schools and served as an assistant principal at a charter school in Lewisville. These experiences have given her the opportunity to see first-hand how students can thrive when they have excellent options.

Since joining the Foundation, Valdez has conducted research on career and technical education at the secondary and post-secondary levels, civics education, and welfare-to-work programs in Texas.

Valdez earned an MA in classics from the University of California, Santa Barbara and a BA in classics from Hillsdale College.

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