LONESTARRP3

Public Education Finance

Targeted State (and Federal) Investments

Texas has made substantial targeted investments across the education-to-workforce continuum, using formula funding, competitive grants, and performance-based incentives to influence access, quality, and postsecondary readiness. As these initiatives mature, there is growing interest in understanding their efficacy—what outcomes they are producing, for whom, and at what cost. The sections that follow briefly describe selected state (and federal) investments and highlight where research can inform future policy decisions and implementation supports. Together, they provide an opportunity to examine not only individual program effects, but also how these strategies fit within Texas' broader education finance system. These initiatives span early childhood, K–12, and postsecondary systems, reflecting Texas' effort to align finance policy with long-term educational and workforce outcomes.

Career and Technical Education Funding

Career and Technical Education (CTE) programs are funded through layered state and federal investments aligned to workforce demand. At the state level, CTE is primarily funded through the Foundation School Program CTE allotment, which provides weighted funding for approved CTE courses alongside outcome-based incentives such as the CCMR Bonus for industry certifications and aligned postsecondary outcomes. Federal Perkins V funds add a complementary but more targeted stream, emphasizing program improvement, special populations, regional consortia, and labor-market alignment, while community colleges receive parallel support through workforce and technical education formulas. Texas CTE warrants analysis to better understand how these funding streams interact to shape course offerings, pathway coherence, student participation, and quality; whether incentives favor certain credentials over others; and how participation affects postsecondary persistence, employment, earnings, and credential stacking. Key questions also include who has access to high-value pathways, how rural and small districts navigate scale and cost, and whether the current mix of inputs (course weights, equipment grants, outcome bonuses) produces durable labor-market returns.

Jobs and Education for Texans (JET program)

Texas' Jobs and Education for Texans (JET) Program is a state investment that provides competitive grants to school districts, community colleges, technical colleges, and other eligible providers to purchase equipment and infrastructure needed to deliver career and technical education (CTE) programs aligned to high-demand, high-wage occupations in the Texas economy, often in partnership with regional employers. Administered by the Texas Workforce Commission, JET funding is intentionally capital-focused—supporting things like

advanced manufacturing labs, healthcare simulation equipment, IT and cybersecurity tools, and skilled trades facilities— reflecting the premise that upfront equipment costs often limit access to labor-market-relevant training, particularly in rural and high-need regions. JET presents a strong opportunity to assess whether capital investments translate into sustained program quality and student outcomes: enrollment and completion in funded pathways, credential attainment, postsecondary transition, and employment and earnings. Research can also examine geographic equity, alignment with regional workforce demand, and durability (whether programs persist after grant funds are spent), as well as cost-effectiveness compared to other workforce strategies—evidence that could inform decisions on scaling equipment-based grants versus investing more heavily in staffing, employer partnerships, or student supports.

CCMR Outcomes Bonus Funding

Texas' CCMR Bonus is an outcomes-based state funding investment that provides districts with bonus dollars for each high school graduate who meets defined CCMR criteria, such as earning college credit (AP/IB/dual credit with qualifying scores), completing an industry-based certification, enlisting in the military, or meeting TSI readiness benchmarks in ways that qualify under CCMR accountability rules. The policy is designed to shift incentives from seat time and course completion to postsecondary readiness outcomes, while explicitly weighting bonuses to provide higher funding for economically disadvantaged students, thereby linking accountability, equity, and finance. The CCMR Bonus model offers an opportunity to examine how financial incentives influence district and campus behavior, including whether schools expand access to rigorous coursework and certifications or concentrate on "easier-to-produce" CCMR indicators; how student course-taking, advising, and credential attainment change; and whether gains reflect real improvements in postsecondary success (college persistence, credential completion, military retention, earnings) versus threshold effects. Research can also examine unintended consequences and inform refinements to indicator design, weighting, and guardrails as Texas evolves its performance-based K–12 funding strategy.

Community College FAST Program

Texas' FAST program provides last-dollar financial aid to eligible students who enroll full time—typically 15 credit hours per semester—toward an associate degree or transfer-ready credential. The program aims to reduce time-to-degree, lower students' reliance on work that slows progress, and improve alignment between community colleges and universities by incentivizing continuous enrollment and credit accumulation, rather than stop-and-start attendance patterns. Research can assess whether financial incentives tied to intensity and structure change student behavior and outcomes, including impacts on credit momentum, completion and transfer rates, time-to-degree, and labor-market returns, as well as differential effects for working students, adult learners, Pell-eligible students, and those in

applied vs. academic transfer pathways. Equally important are implementation questions - who opts in, who is excluded by the intensity requirements, how institutions adapt advising and scheduling, and whether FAST meaningfully complements or displaces other aid.

Public School Pre-K

Under state law, Texas districts and charters must offer free half-day prekindergarten for eligible 4-year-olds (e.g., educationally disadvantaged, emergent bilingual, homeless, in foster care, military-connected, and—after recent changes—children of classroom teachers); eligible 3-year-olds may also be served but this is not required. While state policy increasingly emphasizes full-day access for eligible 4-year-olds, funding gaps persist that districts must close locally. The Early Education Allotment further supports quality improvement across pre-K–3 but does not fully resolve duration or access disparities. Many districts use local funds, grants, or tuition-based seats to extend programs to full day or serve ineligible students, creating substantial variation in access, duration, and quality statewide. Research can examine how outcomes differ between eligible students served in half-day vs. full-day; how districts' reliance on local supplementation affects quality and outcomes; and whether eligibility-based targeting produces stronger returns than broader access, particularly given recent policy shifts that constrain tuition-based pre-K and expand eligibility categories.

Texas Covid Learning Acceleration Supports (TCLAS)

TCLAS was TEA's umbrella package of COVID-recovery learning-acceleration funding and in-kind supports offered to districts and charters through a single, streamlined, non-competitive application, bundling access to roughly 15 TEA initiatives aligned to the state's Learning Acceleration Framework. TCLAS allowed districts to choose different mixes of tutoring/accelerated instruction supports, curriculum/instructional-materials supports, and system-improvement services, creating variation that researchers can leverage to estimate what produced measurable gains, at what cost, and how benefits were distributed across the state. Evidence from TCLAS can also inform today's successor "consolidated application" approach in Texas learning-acceleration funding (e.g., LASO cycles) and future state investments aimed at scaling supports efficiently while protecting quality.

Teacher Incentive Allotment (TIA)

TIA is a performance-based state funding investment that provides districts with additional ongoing formula funding for teachers designated as Recognized, Exemplary, or Master based on locally developed, TEA-approved evaluation systems that incorporate measures of teacher effectiveness and student growth. TIA is designed to increase teacher compensation, improve retention, and strengthen equity by incentivizing effective teaching and directing higher allotment values to campuses serving larger shares of economically disadvantaged students. TIA provides an opportunity to examine how individual-level

performance funding influences teacher labor markets and student outcomes: impacts on recruitment, retention, mobility, and compensation distribution; effects on student learning and access to effective teachers; and how variation in local system design shapes outcomes over time. Research can also surface unintended consequences—such as strategic assignment, instructional narrowing, or uneven access to designation—and inform refinements to guardrails, scaling strategies, and long-term sustainability as Texas expands outcomes-based educator compensation.

Cross-Cutting Approach

Taken together, these investments represent a broader shift in Texas education finance toward performance-based incentives, workforce alignment, and targeted early intervention. A cross-cutting research agenda could examine how these policies operate as a system rather than as isolated programs—for example, how early literacy investments influence later CCMR outcomes; how CTE and JET funding interact with CCMR incentives; how FAST shapes the postsecondary returns of high school pathways; or how TIA affects staffing patterns in schools implementing acceleration or workforce initiatives. Studying these investments jointly would allow researchers to assess alignment, incentive coherence, equity effects, and cumulative return on investment across the education-to-workforce continuum, informing more strategic refinement of Texas' education finance architecture.