



E³ ALLIANCE

August, 2006

Guided by a *clear community vision and objective data map*, within a decade we propose to better align the system components and practices of our regional education system, and allocate our investments and services more efficiently to dramatically and sustainably increase educational outcomes. By doing so, we can increase our global competitiveness and the economic vitality and overall quality of life of our region.

Problem:

Texas is losing many billions of dollars in wealth capital and extensive social capital every year because we don't take full advantage of our *human* capital. We live in an innovation economy, yet our education system is not scaled, aligned and focused on delivering citizens and workers who can drive a strong economy in a time of innovation. In Central Texas, we conservatively estimate that only about 58% of the students who were 7th graders in 1992 had graduated high school within six years, and only about 14% had attained a Baccalaureate or Associate degree in Texas within the decade.ⁱ When those same 7th graders were starting high school, the cost of not raising our high school completion rate to 90% was calculated to cost Travis County alone over \$190 million annually in lost tax revenues.ⁱⁱ

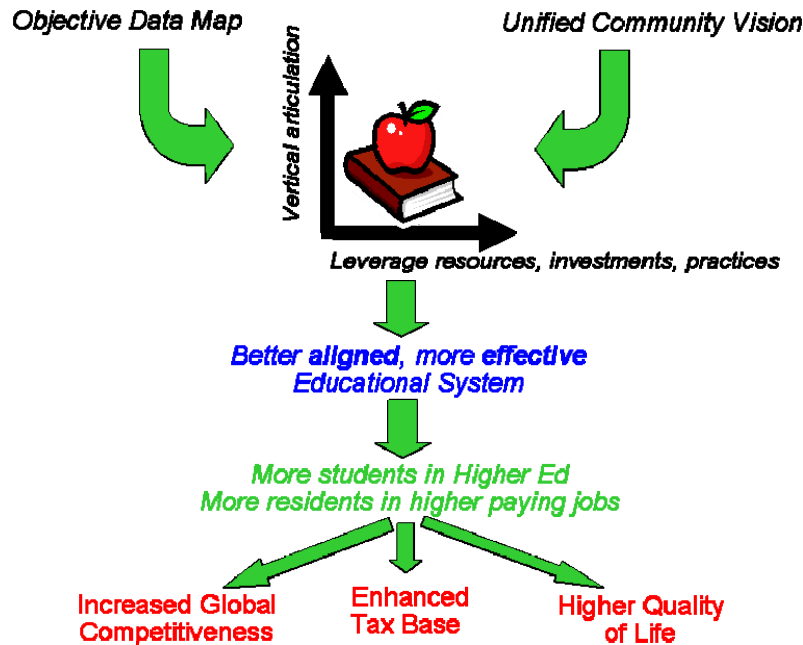
Much of the lost potential is rooted in lower outcomes achieved by different socioeconomic and ethnic groups across our state, as has been well described in the Texas Higher Education Coordinating Board's "Closing the Gap" report. At the same time, our most capable students often report not feeling challenged by their work and being treated as "a number in the system." The result is that a huge proportion of our students of all capabilities never achieve their maximum potential, socially or educationally. And because earning capacity goes down as educational achievement decreases, *we must turn around the college going trend by 2015 or cost our state almost \$80B every year by 2040!*ⁱⁱⁱ

Proposed Solution:

Austin Community College (ACC), Austin Area Research Organization (AARO) and the University of Texas have partnered to initiate a regional collaborative to determine a common vision and better align education systems across the Central Texas region. This collaborative has been branded Education Equals Economics, or the E³ Alliance. Led by business and civic entrepreneur Susan Dawson, this far-reaching initiative combines a comprehensive vision of what we want to achieve from our educational systems from birth through college and career (an "Envision Central Texas for Education"), with a way to better align the various components in the overall system into a more efficient and effective process to generate intellectual and social capacity in the region, and to leverage the model in other regions across the state.

The E³ Alliance is not intended to replace many excellent programs underway in schools. Instead, it is meant to *break down systemic barriers* so that we can better utilize our limited

resources, leverage innovation, and share best practices across schools, districts, universities, and other providers (*horizontal alignment*) and define the needs and expectations for college and career success consistently at every grade level such that teaching and assessment are well articulated (*vertical alignment*). By better aligning our systems horizontally and vertically, the public and private sectors can work together to create broad and sustainable improvements for all students and taxpayers.



Timeline:

In the first ~ 18 months, we propose to:

1. Consolidate research data to build the objective *educational system map* across the Central Texas region, showing key indicators, outcomes and system disconnects, as well as the dollars and services that flow into the system, so that we can understand where the real leverage points are to increase the social and educational success of our students.
2. Undertake an inclusive, iterative consensus-building process to define a *vision* of what we collectively want our students to achieve through best practices in our educational systems, with clear goals and outcomes.

During the remainder of the five year Implementation Phase, we will use this common vision and objective data map to:

3. Better *align* our education system vertically and horizontally and prioritize, implement, and start institutionalizing change.

Outcomes:

Outcomes should include more efficient utilization of resources, more resources brought into the region, extended best practices, increased high school graduation rates and transitions into and through higher education, and ultimately increased earnings power and stronger tax base for the region. We can measure positive impact by Closing the Gaps in college attendance and completion in Central Texas, as well as our preparation of our “home grown” students for relevant, rewarding, challenging lives and careers, whether or not they attend college.

ⁱ Texas Higher Education Coordinating Board data provided to Governor's Business Council 2005 based on tracking of student social security numbers through Texas schools. This data does NOT include out-of-state college attendance, which is thought to be about an additional 10% of college goers, or another ~1.5% of the 7th grade population, nor does it include those who go to private, for-profit institutions, e.g. University of Phoenix. The "real" numbers are not known because so many students are lost from the system – one of the primary problems we hope to address through this initiative.

ⁱⁱ Austin Business Roundtable report led by IBM researcher Bob Golson, 1993

ⁱⁱⁱ Texas Higher Education Coordinating Board "Closing the Gap" Report/Conclusions from *The New Texas Challenge* presented by state demographer Steve Murdock. Newest data indicates that if, by 2040, we could completely close the gaps in college success between different demographic groups, we would increase our state earnings by over \$300B per year.