

House Committee on Appropriations

Testimony by:

Jacob Fraire

President & CEO
Texas Association of Community Colleges

Robert Glaser

Chair, Houston Community College Board of Trustees
CCATT Board Chair-Elect

Dr. Brenda Hellyer

Chancellor, San Jacinto College
TACC Board Chair

Dr. Richard Rhodes

Chancellor
Austin Community College District

March 4, 2021



**Texas Association of
Community Colleges**



**Community College
Association of Texas Trustees**

Texas Community Colleges Serve the State at Scale



47 %

Community colleges are the **LARGEST** sector of higher education in Texas.

| Institution Type | Fall 2019 Enrollment | % Of Enrollment |
|-------------------------------|----------------------|-----------------|
| COMMUNITY COLLEGES | 748,478 | 47.3% |
| Texas State Technical College | 11,694 | 0.7% |
| Lamar State Colleges | 9,116 | 0.6% |
| Public Universities | 657,985 | 41.6% |
| Public Medical Institutions | 26,169 | 1.7% |
| Private Institutions | 129,484 | 8.2% |

70 %

Of All Freshmen & Sophomores in Higher Education



92 %

Of All Career & Technical Education Enrollments & Certificates

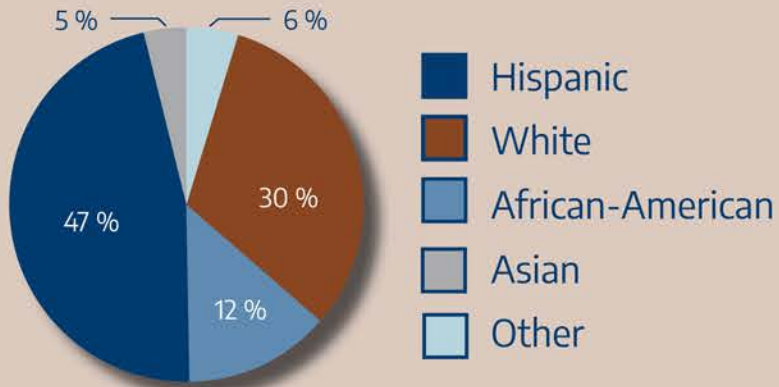


93 %

Of All Dual Credit Enrollments (187,846 students)

Community Colleges Reach a **DIVERSE** and **UNDER-SERVED** Population

Enrollments
Reflect the
DIVERSITY of
Texas



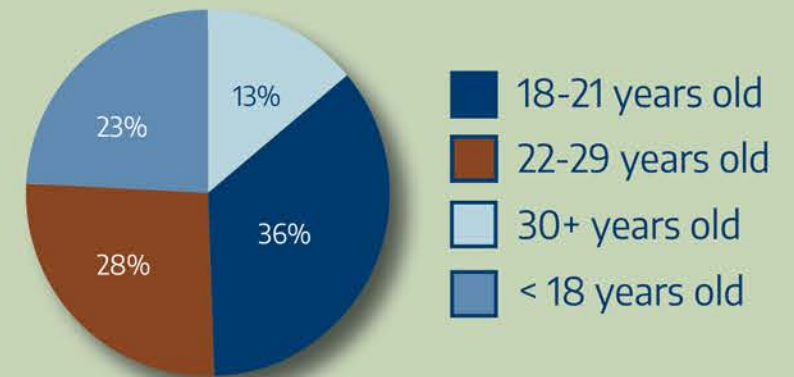
44%

Of Credentials
Awarded to
**ECONOMICALLY
DISADVANTAGED**
Students

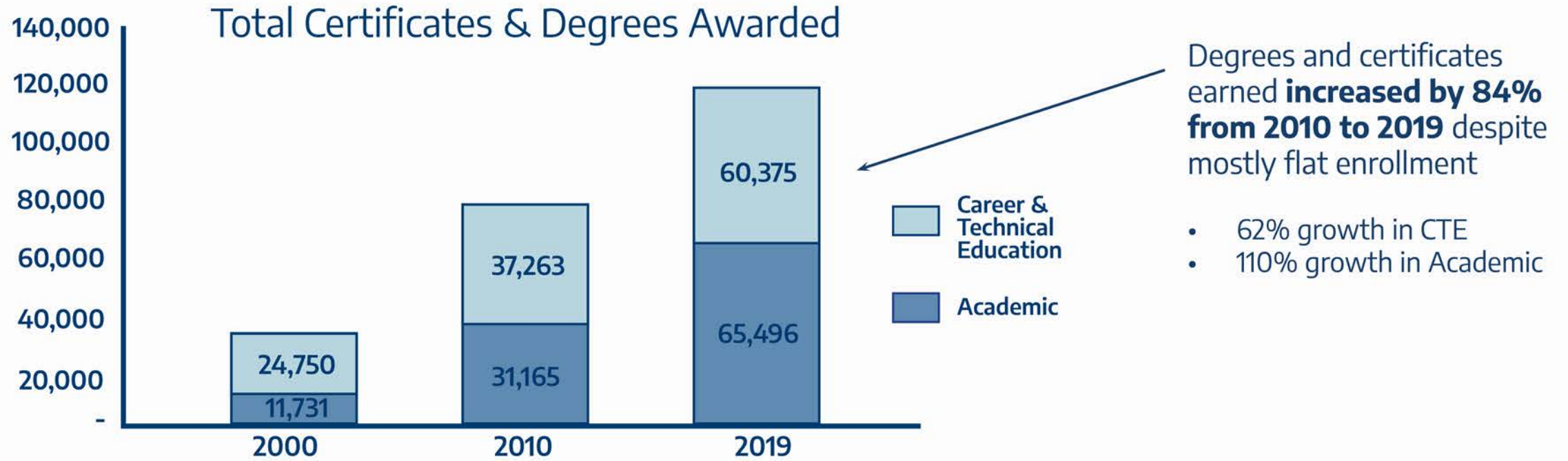
72%

Of **ALL MINORITY**
Freshmen &
Sophomores in
Higher Education

Community
Colleges Serve
Students of
ALL AGES



Community Colleges Meet the Needs of a GROWING Texas



Texas Community Colleges
Provide a **PATHWAY** to
University

71 %

Of All FY2019 bachelor's degree graduates had **some transfer credits** from a two-year college

34 %

Of All FY2019 bachelor's degree graduates had **more than 30** transfer credit hours from a two-year college

ACCESS to Higher Education Is Our Mission

Texas Ranks 4th in **AFFORDABILITY**

Average Tuition & Fees
Public, two-year, 30 SCH

| Rank | State | \$\$\$ |
|-----------------|--------------|----------------|
| 1 | California | \$1,268 |
| 2 | New Mexico | \$1,666 |
| 3 | Arizona | \$2,152 |
| 4 | TEXAS | \$2,209 |
| **National Avg. | | \$3,243 |

Graduates Finish with **LESS DEBT**

Average Graduate Debt

| Institution | % with debt | Average debt |
|---------------------------|-------------|-----------------|
| COMMUNITY COLLEGES | 31% | \$15,422 |
| Public University | 59% | \$25,635 |

Texas Remains **ACCESSIBLE**

Debt as % of First-Year Wages for Graduates

| Institution | Percent |
|---------------------------|------------|
| COMMUNITY COLLEGES | 38% |
| Public Universities | 61% |

Student Needs Survey

COVID-19 Pandemic

The COVID-19 pandemic has caused major disruption in the lives of Texans; college students are no exception. The Texas Association of Community Colleges created a survey to better understand **how community college students are handling the COVID-19 outbreak, what challenges they are facing, and whether or not these students will persist towards their academic goals.**

DELAY GRADUATION

26%

of students are
VERY LIKELY
to delay graduation



19%

of students are
SOMEWHAT LIKELY
to delay graduation



21%

of students are
VERY LIKELY
to take fewer classes



INTERNET ACCESS

16%

of students lack regular
ACCESS TO A COMPUTER

57%

of students struggle to find a
**QUIET PLACE/
TIME TO STUDY**

47%

of students cannot always
ACCESS THE INTERNET

44%

of students are likely to experience some level of
FOOD INSECURITY within 30 days

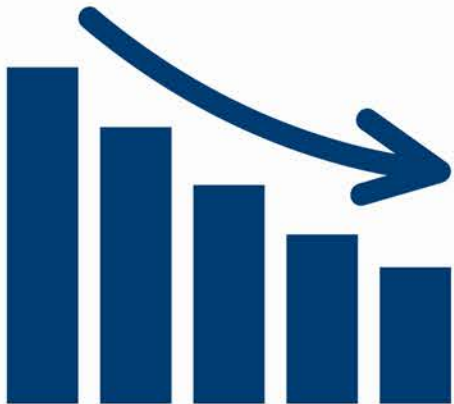


73%

of students would have difficulty
**ACQUIRING \$500 IN CASH/
CREDIT** within 30 days

57%

of students reported
**LOSING INCOME AND/OR
WORK HOURS**



47%

of students report having household
HEALTH INSURANCE COVERAGE

Investing in Community Colleges

(Formula Funding)

The Texas Association of Community Colleges adopted formula funding recommendations informed by the findings of the Community and Technical Colleges Formula Advisory Committee (CTCFAC). However, the CTCFAC concluded its work prior to the onset of the COVID-19 pandemic. Considering current circumstances, TACC recommends an increase in appropriations to the instructional formula to support sustainability of college operations in the wake of the COVID-19 pandemic.

Recommendations

The Association proposes the following changes to the formula allocations put forth in HB1 (as introduced):

1. Adopt the Success Point metrics and weights recommended by the Community and Technical Colleges Formula Advisory Committee (CTCFAC)
2. Fund Success Points at the 2020-21 reimbursement rate of \$202.53 per point
3. Provide hold harmless funding on a by-college basis to ensure that no college's state appropriation declines relative to the 2020-21 biennium

| | 2020-2021 Appropriations (millions) | 2022-23 Appropriations Request (millions) | Amount Change (millions) |
|--------------------------------|--|---|--------------------------------|
| Core Operations | \$68.0 | \$68.0 | \$0 |
| Success Points | \$228.3 | \$255.0* | \$26.7 |
| Contact Hours | \$1,533.7 | \$1,533.7 | \$0 |
| Bachelor of Applied Technology | \$3.2 | \$3.2 | \$0 |
| NEW: Hold Harmless Funding | \$0 | \$19.6** | \$19.6 |
| TOTAL | \$1,833.2 | Total - \$1,879.5 | \$46.3 |

*projected based on recommended rate and weights

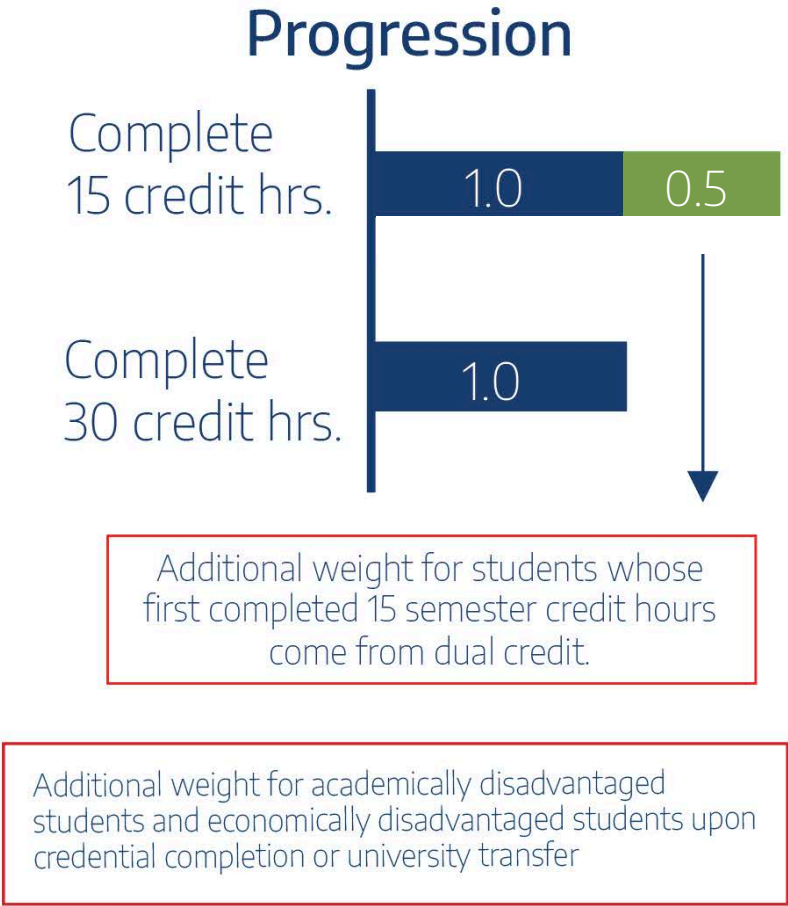
** subject to change following the Spring 2021 enrollment update

→ **2.5% increase**

Performance-Based Funding

(Student Success Points)

The Association approved the Student Success Point improvements as proposed by the CTCFAC and TACC Metrics Task Force. Revisions to the metrics include updating the critical fields component and weighting certain points to better acknowledge the additional resources needed to support economically and academically at-risk students.



Student Success Point Metrics & Weights

Taskforce Recommendations

COLLEGE READINESS



**RECOMMENDED RATE
PER POINT: \$202.53**

1ST LEVEL COURSE

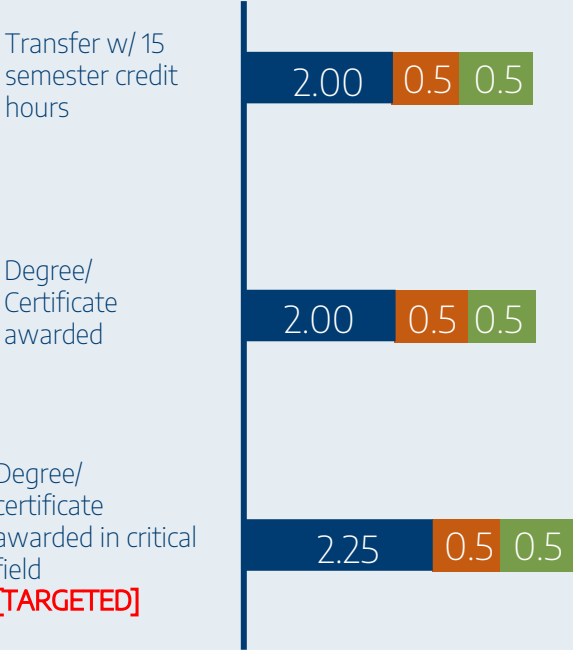


PROGRESSION



Additional weight for students whose first completed 15 semester credit hours come from dual credit.

CREDENTIALS/ TRANSFER *



CREDENTIALS/ TRANSFER *

Transfer w/ 15
semester
credit hours



Degree/
certificate
awarded



Degree/
certificate
awarded in
critical field
[TARGETED]



* Additional weight for academically disadvantaged students and economically disadvantaged students upon credential completion or university transfer.

* The Taskforce recommends a process of adding and removing targeted fields conducted by an official committee of appropriate state agency staff and stakeholder representatives. The committee would apply a formal methodology to the most recent, reasonably available, reliable data to approve two sets of fields: one recommended for addition to the targeted fields list, and one recommended for removal from the targeted fields list. These lists would be sent to the Community and Technical Colleges Formula Advisory Committee, which would incorporate them in its recommendations to the THECB (typically issued in January of even-numbered years), to be approved effective in April.

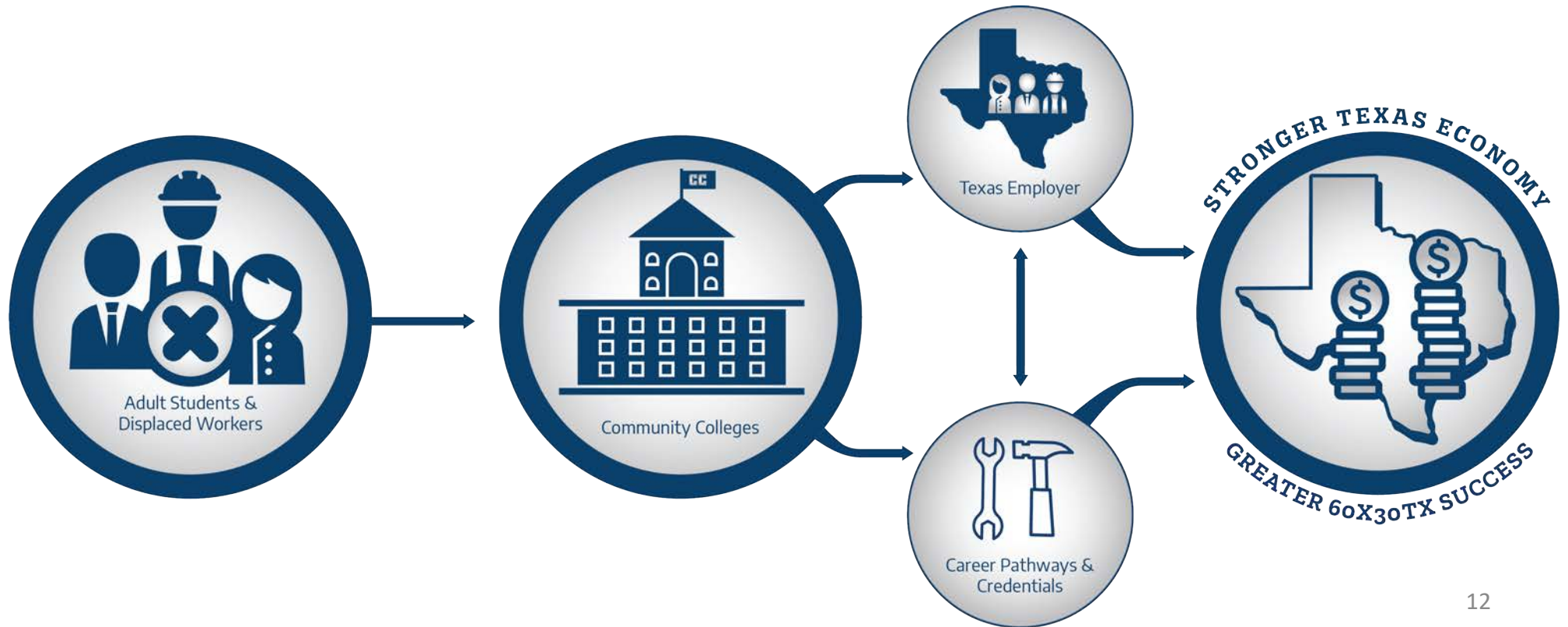
Workforce & Economic Recovery Policy

The Association recommends supporting the Texas Reskilling & Upskilling through Education (TRUE) initiative, and specifically seeking statutory authority to create a state fund to support the program. To achieve the dual goals of workforce and economic recovery, TRUE recommends the following:

Recommendations

- Design sustainable talent pipelines to fill critical regional workforce needs and provide ongoing support to Texas businesses and the state's economic recovery.
- Expand employer-informed micro-credentials and short-term certificates that will enable displaced and underemployed workers to lead fulfilling and economically self-sufficient lives by getting them work-ready in as little as a few weeks to six months.
- Identify high-demand, short-term credentials to be recognized as a part of the 60X30TX Plan for Higher Education.

TRUE



TRUE is a proposed **\$50 million investment in Texas community colleges** to reskill and upskill the Texas workforce, put Texans back to work in high demand occupations, and accelerate the Texas economic recovery. The program would be administered by the Texas Higher Education Coordinating Board.

Eligible Entities:

Texas Community Colleges

- Texas colleges have a proven **record of delivering for our workforce** and employers in times of need.
- Texas colleges play a critical role in our state's economy delivering workforce development central to job creation. In fact, **community colleges provide over 90 percent of career and technical education enrollments and certificates** in Texas.
- Texas colleges exist to meet the education needs of all learners through **accessible, high quality, and low-cost** (4th most affordable in country) programs.
- Texas colleges deliver a broad range of education and training services through partnerships with businesses to **meet regional workforce needs critical to success.**
- Texas colleges are best positioned to build an enduring education infrastructure **to support a thriving Texas economy** throughout the diverse regions of the state.
- Texas colleges have also been adversely impacted by the pandemic and **their strength is paramount to a more prosperous Texas future.**

An investment in the TRUE initiative and our colleges is an investment in a **stronger Texas economy.**

TRUE Components

Employer engagement to highlight areas of future job growth, define high-demand skills and inform credential development and training.

- Texas Community Colleges have formed a statewide Business Advisory Council to advise on changes in the economy and job market, highlight areas of future job growth and advise on skills most critical to business and industry. The Council will advise on the TRUE initiative.
- Our colleges engage with employers to strengthen the Texas workforce. As an example, **San Jacinto College**, through the Chancellor's Business Advisory Council, works directly with business leaders with a particular focus on Maritime, Petrochem, and Aerospace programs.

Data infrastructure (local, regional & state) to inform skills-based education and training program development and delivery that meets employer workforce needs.

- **Dallas College** aligns in-demand skills, as reflected in near real-time labor market data along with employer engagement, to build workforce development programs that meet employer needs.
- **Austin Community College** launched *Fast Track Careers* in fall of 2020 to offer quick-turnaround workforce certificates at half price to help people who lost jobs during the pandemic gain a certification in a high-demand field. The college began with about a dozen programs and expanded to more than 25 programs in the spring of 2021.

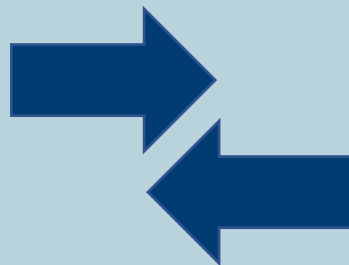
Community College capacity-building to expand new and redesigned workforce training leading to jobs in the Texas economy. In legislation, **TRUE funds will be invested to:**

- Provide training in new or redesigned accelerated programs that teach high-demand skills and confer certifications or credentials valued in growing, living-wage occupations,
- Develop new industry-aligned, high-demand certification programs, or
- Build institutional capacity to provide high-demand credentials as identified by regional or statewide targeted occupations lists.

TRUE Outcomes

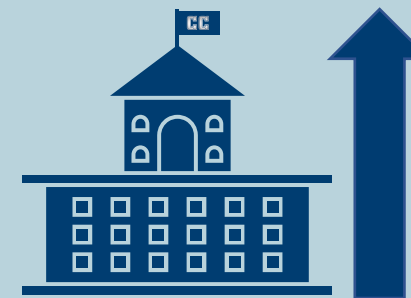


Work and coordinate with state (TWC, THECB, others) and local partners (LWDBs, Chambers, others) to **put Texans back to work.**



Workforce reskilling and upskilling through educational opportunities aligned with good careers.

- **New accelerated employment training leading to credentials** of value that can be completed in weeks or less than six months.
- Certificates may be stacked leading to additional skills and credential attainment aligned to current COVID-impacted workforce needs.
- **Sustainable talent pipelines** to meet local and regional workforce needs of the future.



Short term credentials increased and **recognized under 60x30TX plan** to meet the goals of Texas higher education plan.

- New credentials identified under this initiative used to inform funding formula recommendations related to institutional appropriations of funds for public junior colleges.

TRUE Labor Market Impact: A Stronger Texas Economy

- **Texas workers benefit from attaining more and relevant skills.**
 - **For every \$50 million in investment, more than 30,000 Texans receive job training in high demand fields during the biennium building a stronger Texas workforce.**
 - Earn certificates or micro-credentials representing high-demand marketable skills acquisition.
 - Dislocated workers more efficiently transition back to careers.
 - Programs developed also benefit incumbent workers and other students.
 - Reskilled and upskilled workforce earn higher wages.
 - According to a recent Comptroller report, workers with college or an associate degree earn an average of \$8,393 more annually than high school graduates.
- **Texas Employers benefit from a more skilled workforce.**
 - Address immediate workforce needs while strengthening future workforce and market alignment.
 - Labor market skills gaps reduced in high-demand occupations.
 - Productivity gains realized as workers equipped with needed skills increase.
 - State and local tax benefits, including in unemployment Insurance Trust fund. **(As of December 2020, more than \$5.8 B. has been borrowed from the federal accounts for the UI Trust fund to respond to pandemic demand.)**