



Texas Commission on Community College Finance

Testimony by Dr. William Serrata, TACC Board Chair

June 21, 2022

Thank you for the opportunity to provide testimony for the Texas Commission on Community College Finance. I am William Serrata, the President of El Paso Community College, but this testimony is provided in my capacity as Chair of the Board of the Texas Association of Community Colleges whose members include 48 of the 50 public two-year colleges in Texas.

Given the many hours you have spent on the work of this commission, and the decades of professional experience in education most of you have, I know you're familiar with the vital role our institutions have in our state.

However, as the Chair of the only statewide organization dedicated to representing Texas community colleges, I want to emphasize the reason your work here is so important to everyone in our great state. The success of our community colleges is essential to our state's economy, and your work will be the impetus that brings us into the future.

The appendix of this document includes the set of recommendations unanimously endorsed by TACC membership, as well as the boards of the Community College Association of Texas Trustees, and the Texas Community College Teachers Association. Before providing a summary of these recommendations, I want to highlight the foundation for these recommendations through an overview of the critical impact of community colleges on Texas and the challenges facing our colleges.

Overview

The first publicly supported, junior college was established 100 years ago in Wichita Falls and ever since, our colleges, rooted in their communities, have spread across a state larger than most nations providing upward economic mobility for hundreds of thousands of Texans.

In that uniquely Texan tradition, community colleges draw their strength not from a top-down system, but from their rural, urban, and suburban communities. Because of this, they range in size from 1,400 to 72,000 students. We are responsive to our local needs, and our locally elected boards. Combined with our two-year mission, our colleges are nimble and primed for innovation and results.

While we share the same broad goals, our colleges serve as the laboratories of ideas such as shared services. One example of such a laboratory are the regional partnerships that leverage innovation based on the uniqueness of the region. By incentivizing this bottom-up approach, an ROI shared service model can be developed to augment savings that go to the students and the colleges. Our local accountability and focus mean businesses, students, and taxpayers can witness the transformative impact of our work in their own communities.



Populations Served

Last year, Texas community colleges served over 1.1 million students in academic and workforce programs.

The complexity and diversity of our student population are underscored by the variety of goals of the students we serve. This includes high school students taking dual credit courses; post-secondary students planning to transfer to another institution; workforce associate degree seekers; adult learners adding new skills; industry certifications; and a few institutions that provide bachelor's degrees for targeted fields of need.

High school

All our colleges have partnerships with the school districts in their region. And there are many different models they utilize for providing post-secondary education opportunities for high school students such as Early College High Schools and P-Techs. You're most familiar with our dual credit model, which we believe must be thoroughly reviewed because its application varies widely throughout the state of Texas.

Academic/Transfer

Our colleges work with the four-year universities to continuously refine our transfer process. Community colleges provide an important pathway to a baccalaureate degree for Texans. Annually, seventy percent of students earning a bachelor's degree in Texas have completed coursework at a community college, the highest percentage of any state in the nation.

Workforce

Texas community colleges are the state's economic engine for recovery. Our colleges provide 92% of the certificates and degrees that meet regional and local workforce demands. Although we know our Continuing Education (CE) credentials are valuable and successful in meeting the needs of the regional workforce, I cannot tell you the number of students who have earned these valuable credentials. No data system has been implemented to track these credentials. We believe this data must be collected without undue burden by the Texas Higher Education Coordinating Board.

TACC members have led Business Advisory Council (BAC) regional meetings, where industry and community colleges share their needs and capabilities, and actively develop the partnerships essential to the innovation and training Texans need. You will find additional information about the BAC and the regional meetings in the appendix of this document.

The TRUE (Texas Reskilling and Upskilling through Education) program is a great example of what the Business Advisory Council can accomplish from this coordination with industry. Thank you in particular to Chairman Creighton for his leadership on this important initiative. The TRUE program is a rapid-deployment model that develops an affordable curriculum centered around career pathways to address workforce skill gaps revealed by labor market data and industry input. Designed to be completed in six months or less, this innovative program provides a seamless trajectory for students from industry-based micro-credentials, to certificates, to associate degrees, and further education.



Texas Association of Community Colleges

Even beyond TRUE, community colleges provide the critical upskilling and reskilling Texans need throughout their career. There are dozens of individual examples of colleges and industry partners coming together to create a skills-based, job-oriented educational pathway. Some of these include: Angelina College and Lockheed Martin; Dallas College and Verizon; South Texas College and Amazon Web Services.

All these factors led the Comptroller's office to estimate “community college districts contribute \$9.8 billion annually to the state’s economy and support nearly 78,000 jobs. Furthermore, the higher pay of those with some college or an associate degree helps raise total wages in Texas by more than \$27 billion per year.”

Community colleges are continually pushing themselves because we know our success is essential for our state to reach the goals of Building a Talent Strong Texas.

Recommendations

The current 50-year-old finance model no longer meets the needs of students, our communities, and our businesses. We’ve seen a downward drift in the state’s share of community college funding. We don’t count important credentials of value in our outcomes, and our allocation model of funding undercuts the promise of incentives.

TACC members, for all the variance in our business models, student populations, and geography - have come together to unanimously endorse fundamental recommendations for this commission. As I noted earlier, not only did the TACC membership unanimously endorse these, but so did the boards of the Community College Association of Texas Trustees, and the Texas Community College Teachers Association.

This collective voice of practitioners, presidents and trustees recommends strengthening the state’s incentive formulas and moving to a funding method rather than an allocation method. We’re recommending that the formulas include the varying cost of educating different student populations. We’re asking for the development of the state’s philosophy, performance goals and stable funding methodology for dual credit. We believe that the certificates of value in our CE and technical education programs should be incorporated into our outcomes funding along with funding for the start-up costs of the leading-edge workforce training we engage in with business. The model should ensure all students across all regions of the state have access to educational opportunities relevant to students’ academic goals in addition to state and regional workforce needs.

Thank you again for the opportunity to present to you today, thank you for your valuable time, and your commitment to Texas students. We think this commission is on the right path and hope our recommendations can help guide your next phase of development. We stand ready to help, and I’m happy to answer any questions you might have.



Appendix for TACC Testimony

Appendix 1: TACC, CCATT, TACCTA Recommendations

Appendix 2: “TACC Business Advisory Council,” Summary

Appendix 3: “Regional Workforce & Education Partnership Meetings - Building A Stronger Texas Workforce Together”

Appendix 4: “Reskilling/Upskilling Adults through Micro-credential Innovation: TRUE”



Recommendations to the Texas Commission on Community College Finance

COLLEGE OPERATIONS

- Establish a predictable funding structure for academic/transfer, workforce and continuing education. Consider the Higher Education Price Index (HEPI) and fully fund the rate-based formulas for contact hours and Student Success Points (SSP). This funding should include new annual dollars for growth opportunities across the state.
- Create a funding model that encourages and supports community colleges to participate in shared services while expanding workforce and educational opportunities for all regions and populations across the state.

WORKFORCE EDUCATION

- Adopt a funding model that accounts for the higher costs associated with effective, high demand Career and Technical Education (CTE) and Workforce Development, including Continuing Education (CE) instruction.
- Implement an ongoing program that encourages and supports community colleges to form public and private partnerships to create regional demand workforce programs aligned with Building a Talent Strong Texas in all areas of the state.
- Incentivize credentials, including high-demand micro-credentials, such as Career and Technical Education, Continuing Education, and dual credit, within the Texas Higher Education Coordinating Board Accountability System and funded through the state formula.

STUDENT SUPPORTS

- Provide supplemental state funding to address variances in costs of instruction and wrap-around services for key student populations, such as economically disadvantaged students, students of color, academically underprepared students, adult learners, Adult Education and Literacy (AEL), and students with disabilities.
- Invest in students by providing resources to address learning loss and re-engage learners who stopped or dropped out prior to obtaining a credential.
- Develop the state's philosophy, performance goals, and stable funding methodology for dual credit.



Texas Association of Community Colleges (TACC)

Business Advisory Council

Texas community colleges understand the critical role they play in educating a skilled and competitive Texas workforce that meets the needs of employers and builds strong regional economies.

As our dynamic economy evolves, colleges are determined to maximize alignment between the needs of our Texas employers and advance our efforts to educate students for success. To support that objective, TACC established the Business Advisory Council (BAC) in 2020 to advise college leaders on the current and future workforce needs facing our business and industries. This partnership with business, industry, and other key stakeholders is vital to bolstering student success and building a stronger and more competitive Texas workforce.

Membership

It is important to our leadership that the insights and guidance offered by the BAC represent the **different sectors of business and industry and the different regions of Texas**. The Council is currently comprised of 27 members, including 18 members representing business and industry groups, companies in different sectors, and other key leaders.

Key industry groups represented on the Council include:

- Texas Business Leadership Council
- Texas Association of Manufacturers
- Texas Chemical Council
- Texas Association of Business Foundation
- Texas Cattle Feeders Association
- Texas Economic Development Council
- Greater Arlington Chamber of Commerce

These business leaders serve alongside nine college CEOs as they work in partnership to consider workforce challenges and actions needed to achieve common objectives.

Role

The BAC advises Texas colleges on actions necessary to build effective employer aligned, demand-driven, education, training, and reskilling opportunities so Texans can obtain the skills, education, and credentials necessary to succeed in jobs in the economy.

The Council is a statewide body of business and industry leaders working in partnership with college CEOs to advise Texas colleges on changes in the economy, the job market, and the current and future workforce needs of business. The Council members provide insights, counsel, and strategic guidance to identify and address key education and workforce development issues facing employers and the state. It advises on economic and workforce trends shaping the future of work.

The BAC serves to inform market driven education and workforce innovations and policy. The Council offers specific guidance in establishing and advancing certain innovations that strengthen the Texas workforce and align with the needs of industry, like the Texas Reskilling and Upskilling through Education (TRUE) program. The Council has considered and examined strategies to expand employer engagement, build public provide partnerships, and reviewed work-based learning and integration strategies.

The Council continues to examine, consider, and discuss the implications of declining enrollments, achievement and skills gaps, and the general skills and education challenges facing students and employers, its implications, and the solutions needed to achieve common objectives.





Regional Workforce & Education Partnership Meetings – Building A Stronger Texas Workforce Together

March – April 2022

Building A Stronger Texas Workforce Together

Texas Association of Community Colleges (TACC) leadership are committed to work in partnership to build a stronger Texas workforce together.

To that end, TACC set regional workforce and education partnership meetings in each region of the state with the goal of hearing directly from business and industry on the workforce issues they are facing.

The meetings focused on assessing the current state of the labor market, current and future workforce challenges facing employers, and the actions that our colleges and partners must take together to drive student success, meet the workforce needs of employers, and build stronger regional economies.

Regional Workforce & Education Partnership Meetings

The Texas Association of Community Colleges partnered with chambers, colleges, economic development corporations, and local workforce solutions boards to host six regional meetings to address the following objectives, among others:

- Inform policies and practices needed to **enhance education and workforce development outcomes** that align with current and future demand.
- Use business insights to **inform education & training policies** and practice while looking to strengthen academic and post-credential student supports and expand work-based learning opportunities.
- Inform actions that **build and deliver critical education and workforce training** needed by incumbent & displaced workers in need of reskilling or upskilling for success and to close skills gaps.
- Inform strategies and key actions that will **enhance the integration of key workforce demand skills & programs** in the Texas Success Center's Career Pathway work with colleges.
- Inform actions to address future of work challenges and build success.



Regional Partnership Meeting Roundtables:

The regional roundtables featured local leaders including representatives of key industry sectors.



East Texas (Longview)

Thursday, March 10th

Partners: Kilgore College, Tyler Junior College, Kilgore EDC, Longview EDC, WFS East Texas

Attendance:

- Total: 82 attendees
- Companies Represented: 16
- Colleges Represented: 9
- EDCs, WFDs, & Chambers: 8



West Texas (El Paso)

Thursday, March 24th

Partners: El Paso Community College, El Paso Chamber of Commerce, WFS Borderplex

Attendance:

- Total: 83 attendees
- Companies Represented: 18
- Colleges Represented: 4
- EDCs, WFDs, & Chambers: 2



Central Texas (Waco)

Tuesday, April 19th

Partners: McLennan Community College, WFS for the Heart of Texas, Greater Waco Chamber of Commerce

Attendance:

- Total: 54 attendees
- Companies Represented: 15
- Colleges Represented: 6 (incl. TSTC)
- EDCs, WFDs, & Chambers: 4



Southeast Texas (Houston)

Thursday, April 21st

Partners: Houston Community College, Greater Houston Partnership, WFS Gulf Coast

Attendance:

- Total: 38 attendees
- Companies Represented: 12
- Colleges Represented: 9 (incl. Lamar & Texas A&M)
- EDCs, WFDs, & Chambers: 2



North Texas (Dallas)

Monday, April 25th

Partners: Dallas College, Dallas Regional Chamber, WFS Greater Dallas

Attendance:

- Total: 47 attendees
- Companies Represented: 10
- Colleges Represented: 5
- EDCs, WFDs, & Chambers: 2



South Texas (Corpus Christi)

Thursday, April 28th

Partners: Del Mar College, Corpus Christi Regional EDC, WFS of the Coastal Bend

Attendance:

- Total: 48 attendees
- Companies Represented: 12
- Colleges Represented: 7
- EDCs, WFDs, & Chambers: 2

Regional Roundtable Reflections: Themes

Employers Have Jobs, Cannot Find Workers:

According to the Bureau of Labor Statistics, there were 985 thousand job openings in Texas on the last business day of March 2022 and employers were feeling the effects of the tight labor market. *89% of employers at the regional roundtables indicated that hiring new workers is increasingly difficult.*

The Effects of Worker Shortages on Texas Businesses have been Adverse:

Nationally, there were almost two unfilled jobs for every job seeker during March 2022. Across regions we heard that the demand for skilled workers has contributed to an unprecedented rate of resignations and across the regions *76% of roundtable participants reported that the lack of qualified workers has led to reduced productivity, while some have had to turn down business.*

We must find new ways to Close Talent Gaps and Expand availability of Short-term credentials:

Texas trails the country in the rate of degreed workers, and millions of Texans are stuck in low-wage jobs as they do not have skills or credentials that align with current job openings. Across the regional roundtables, *78% of employers at roundtables reported that they have had unfilled jobs for at least three months; more than half have had unfilled jobs for longer than 6 months.*



Regional Roundtable Reflections: Themes

We must make Career Pathways more transparent:

Students often do not know what job opportunities exist in their communities. If they are aware of the opportunities, they do not have a clear pathway, or understanding of different pathways, to get into those jobs.

We must build Stronger Education and Employer Partnerships to be successful:

There is an imperative to work in partnership to meet the myriad of challenges presented across regions. The need to collaborate and integrate efforts was seen as critical if we are to achieve desired education and workforce development outcomes.

Address The Imperative for an Inclusive Economy



Reskilling/Upskilling Adults through Micro-credential Innovation: TRUE



Texas Success Center



Texas Association of
Community Colleges

June 21, 2022

Profile: Statewide

Key Occupation: Cardiovascular Technologists and Technicians*



Texas Association of
Community Colleges

4,197
Job Postings

Dec 1, 2019 - Nov 30, 2020



\$52,560

Median Salary

*Based on BLS data for
Texas*

16%

Projected Growth

*Estimated growth in
employment, 2020-2030*

85%

Entry Level

*Percent of job postings calling for
0-2 years of experience*

10%

BA+ Level

*Percent of job postings
calling for a BA or higher*

23% (Low)

Automation Risk

*Based on Osborn and Frey's
methodology*

Top 5 Specialized Skills

1. Cardiopulmonary Resuscitation
2. Patient Care
3. Electrocardiogram
4. Cardiology
5. Catherization Laboratory (Cath Lab)

Top 5 Certifications

1. First Aid CPR AED
2. Basic Life Saving (BLS)
3. Advanced Cardiac Life Support Certification
4. Basic Cardiac Life Support Certification
5. American Registry of Radiologic Technologists Certification

Top 5 Employers

1. Hospital Corporation of America
2. Christus Health
3. Baylor Scott & White Health
4. Texas Health Resources
5. Houston Methodist

**This occupation is
important to the
following industries:**

Health Care and Social Assistance
Professional, Scientific, and Technical Services
Other Services (except Public Administration)

*License typically required

TRUE Pathways Map

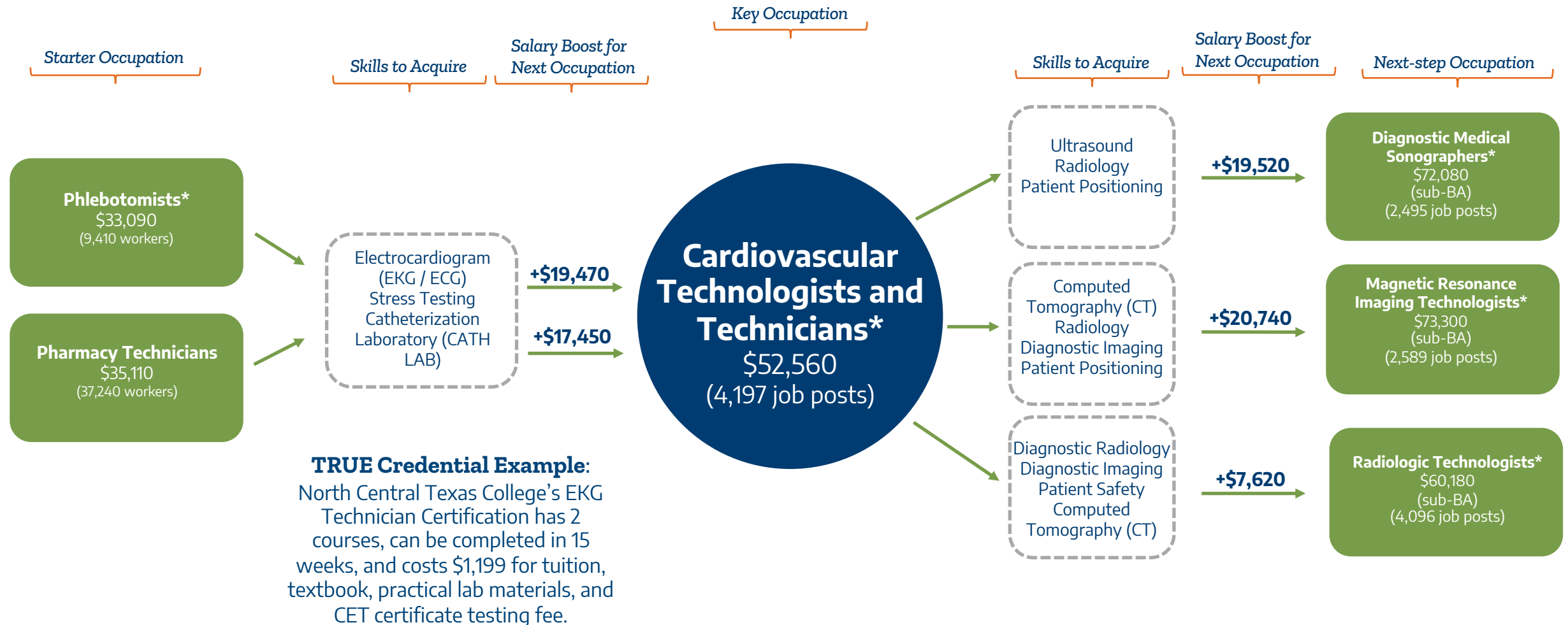
Industry Area of Study: Health Sciences



Texas Association of
Community Colleges



burningglass[®]
TECHNOLOGIES



*License typically required

Profile: Statewide

Key Occupation: Heating, Air Conditioning, and Refrigeration Mechanics and Installers*+



Texas Association of Community Colleges

9,235
Job Postings
Dec 1, 2019 - Nov 30, 2020



\$45,510
Median Salary
Based on BLS data for Texas

16%
Projected Growth
Estimated growth in employment, 2020-2030

38%
Entry Level
Percent of job postings calling for 0-2 years of experience

0%
BA+ Level
Percent of job postings calling for a BA or higher

65% (Med)
Automation Risk
Based on Osborn and Frey's methodology

Top 5 Specialized Skills

- 1. HVAC
- 2. Repair
- 3. Plumbing
- 4. Ventilation
- 5. Predictive/Preventative Maintenance

Top 5 Certifications

- 1. Drivers License
- 2. Environmental Protection Agency Certification
- 3. EPA/CFC/HCFC Certification
- 4. North American Technician Excellence (NATE)
- 5. Occupational Safety and Health Administration Certification

Top 5 Employers

- 1. Sears
- 2. TDindustries
- 3. Lochridge Priest Industries
- 4. Johnson Controls Incorporated
- 5. Cxc Talent Solutions



This occupation is important to the following industries:

Construction
Manufacturing
Retail Trade

*License typically required
+Texas Workforce Commission Target Occupation

TRUE Pathways Map

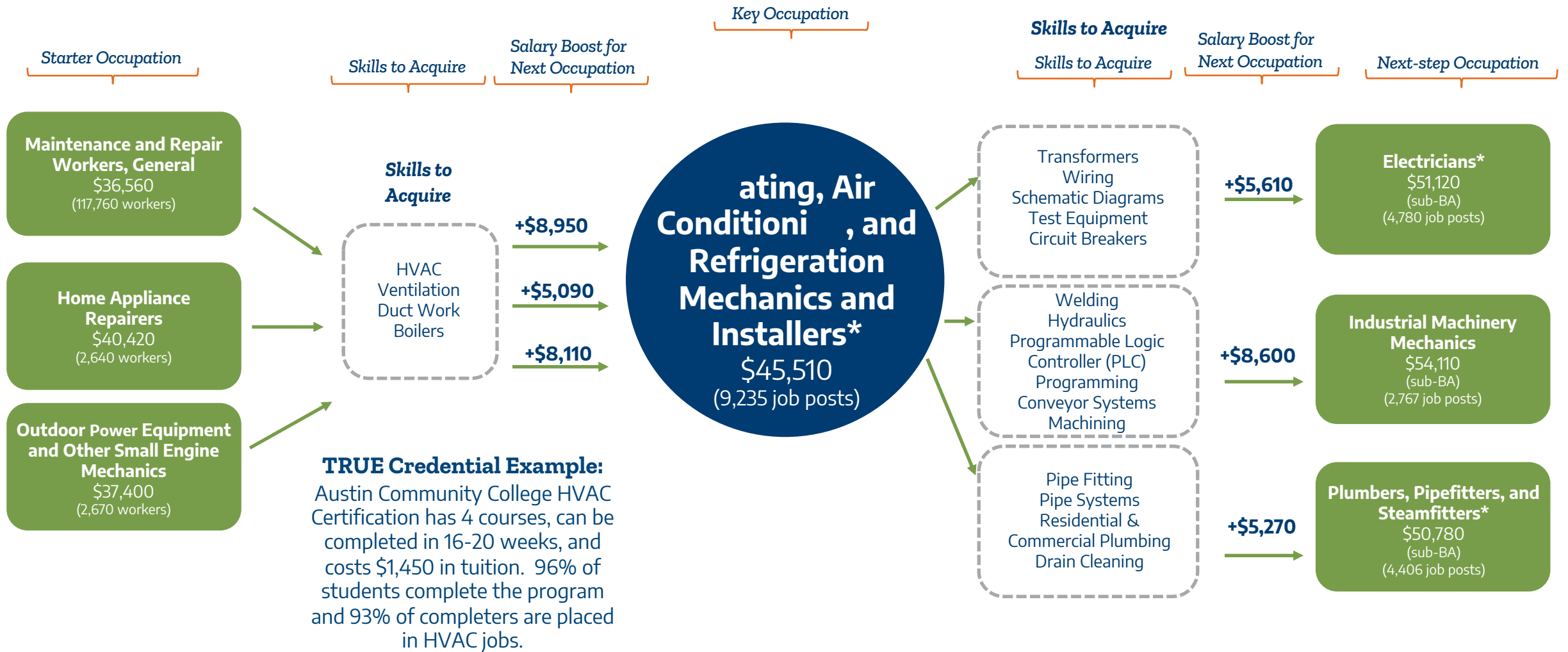
Industry Area of Study: Design, Manufacturing, Construction & Applied Technologies



Texas Association of
Community Colleges



burningglass[®]
TECHNOLOGIES



*License typically required

TRUE Pathways In Practice- Logistics Technician



TRUE Pathway Logistics Technician

ASSOCIATE OF APPLIED SCIENCE

Logistics and Manufacturing Technology AAS

LEVEL 1 CERTIFICATE

Logistics Distribution Technician Certificate

FAST-TRACK CE

Logistics Technician

The Logistics Technician TRUE Pathway is built on stackable, workforce credentials with employment and advancement opportunities in the local economy.

Fast-Track CE Occupation Opportunity

INDUSTRIAL TRUCK AND TRACTOR OPERATORS

Median Salary > \$35,218



CE Non-Credit + Certifications

FAST-TRACK CE

Logistics Technician

CNSE 1003 Forklift Operator Certification

OSHT 1000 Basic Safety and Health

MSSC Certified Forklift Technician (CFT)

OSHA 10 Certificate

LMGT 1019 Intro to Business Logistics

LMGT 1021 Intro to Materials Handling

MSSC Certified Logistics Associate (CLA)

LMGT 1025 Warehouse and Distribution Center Management

MSSC Certified Logistics Technician (CLT)

LMGT 1040 Contemporary Logistics Issues

IBUS 1000 Global Logistics Management

BMGT 2084 Experiential Learning



MSSC Certified Forklift Technician (CFT), Certified Logistics Associate (CLA), and Technician (CLT)

Level 1 Certificate Occupation Opportunity

FIRST-LINE SUPERVISORS OF PRODUCTION AND OPERATING WORKERS

Median Salary > \$62,088



Up to 18 Credits Articulated CEU

LEVEL 1 CERTIFICATE

Logistics Distribution Technician Certificate

LMGT 1319 Intro to Business Logistics

LMGT 1321 Intro to Materials Handling

MSSC Certified Logistics Associate (CLA)

LMGT 1325 Warehouse and Distribution Center Management

MSSC Certified Logistics Technician (CLT)

LMGT 1340 Contemporary Logistics Issues

IBUS 1300 Global Logistics Management

BMGT 2384 Co-Op in Operations Management & Supervision

or LMGT 2334 Principles of Traffic Management

FAST-TRACK CE

Associate of Applied Science Occupation Opportunity

TRANSPORTATION, STORAGE, AND DISTRIBUTION MANAGERS

Median Salary > \$97,115



18 Credits Articulated CEU + 3 Earned Credits + 39 Credits
[Total 60 Credit Hours]

ASSOCIATE OF APPLIED SCIENCE

Logistics and Manufacturing Technology AAS

7 Courses Specialization

LMGT 2330 International Logistics Management

ENGL 1301 Composition I

MATH 13xx College Algebra or Elem Stats or Math for Business & Social Sci

SPCH 13xx Speech of Public Speaking

Elective Humanities/Fine Arts

ECON 2301 Principles of Microeconomics

or ECON 2302 Principles of Macroeconomics

LEVEL 1 CERTIFICATE

FAST-TRACK CE

Industrial Machining Applied Technology

Specialization: Industrial Rotating Equipment Mechanic (Millwright)

Helpers
Median Salary
\$30,967

Maintenance
Technician
Median Salary
\$48,750

Millwright
Median Salary
\$54,920

CE OSA

MCHN 2005* Millwright III
MCHN 2007* Millwright IV
MCHN 2016* Millwright VII
MCHN 2018* Millwright VIII

*Course able to be matriculated to credit

Level II Certificate

MCHN 1325 Millwright I
MCHN 1338 Basic Machine Shop I
MCHN 1341 Basic Machine Shop II
MCHN 1329 Millwright II
MCHN 1300 Beginning Machine Shop
MCHN 1343 Machine Shop Mathematics
MCHN 1308 Basic Lathe
MCHN 2312 Millwright V
MCHN 2314 Millwright VI
MCHN 1313 Basic Milling Operations
INMT 2388 Internship – Manufacturing Technology/Technician
OR
PTRT 1313 Industrial Safety
COMG 1391 Special Topics in Communications, General
TECM 1301 Industrial Mathematics

CE OSA

Associate in Applied Science

ENGL 1301 Composition I
Core Mathematics OR Life & Physical Sciences
Core Elective
Core Communications (SPCH) Core
Core Creative Arts or Language, Philosophy &
Core Culture Core Elective
Core American History, Government/Political Science
Elective OR Social and Behavioral Core

Level II Certificate

CE OSA

SB1102 and TRUE Program Uses

By statute, funding for TRUE must be used as follows:

- to support industry-aligned, high-demand postsecondary workforce credentials or industry certifications in growing occupations that can be completed in six months or less;
- to provide training through existing, new or redesigned programs focused on high-demand skills and leading to workforce credentials or industry certifications in growing occupations;
- to expand institutional capacity to provide stackable postsecondary workforce and industry certifications in high-demand pathways;
- to provide student aid awards to incentivize enrollment and completion of industry-aligned, high demand postsecondary workforce credentials and industry certifications; and
- to cover the cost of tracking and reporting enrollment, credential completion and employment outcomes of students in these courses and programs to gauge student success.