



## **THECB Special Called Board Meeting – August 22, 2023**

Testimony for Dr. William Serrata

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Good morning, Chairman Farias, Vice Chair Williams, and distinguished board members. My name is William Serrata, and I serve as President of El Paso Community College and Board Chair of the Texas Association of Community Colleges.

I'd like to begin my remarks by expressing my sincere gratitude to state leadership, members of the Texas Legislature – particularly Representative Gary VanDeaver and Senator Brandon Creighton - the members of the Texas Commission on Community Finance which was chaired by Mr. Woody Hunt, and of course, to Commissioner Harrison Keller for his outstanding leadership and steadfast support of our community colleges. As the current Chair of TACC, I have experienced first-hand how the road leading to House Bill 8's enactment has been paved with respect, integrity, and most importantly, with collaboration.

Two years ago, during the 2021 legislative session, it became clear that the funding formula based upon contact hours and enrollment for community colleges no longer reflected the needs of our institutions, our students, or our state. As community colleges leaders, we are known to be nimble and adapt to challenging scenarios to continue successfully serving our students' needs. However, having a funding formula that did not reflect our evolving role in producing relevant academic and workforce outcomes was potentially detrimental to maintaining our state's positive economic momentum.

As you may know, community colleges are funded through three main sources of revenue – state appropriations, local property taxes, and tuition and fees. Over the past decade, these sources of revenue have shifted significantly and today, revenue from state appropriations for funding of our community colleges on average is approximately 23 percent.

In response to the fluctuation in revenue, during the 2021 legislative session, with support from community college leaders, Senate Bill 1230, authored by Senator Larry Taylor, was passed, and signed into law which established the Texas Commission on Community College Finance.

Over the span of the next two years, the Commission appropriately focused on relevant aspects of community college operations, including state funding for outcomes, student affordability, and capacity building. It was through this process that the voices of community college leaders statewide were heard and ultimately reflected in the Commission's final recommendations.

As a community college leader, I can say with confidence that the work of the Commission provided an opportunity for all relevant stakeholders to take a dive deep into our mission as a sector and to better understand the impact we have not just with our student populations but in our local and regional communities. It was through this same process, that the work of the Commission resulted in unity and coalition among all 50 community college districts. Important momentum was created by sitting at the table with our broad coalition partners, by listening to the needs of our state's business and industry, and most importantly, by aligning the final recommendations of the Commission with our state's higher education plan, *Building a Talent Strong Texas*.



## Texas Association of Community Colleges

We all know that important milestones were reached by House Bill 8; but what I would like to emphasize is that in my 30 years in higher education, I have never experienced a more collaborative approach to the development of legislation. The coalition of partners that has resulted from this transformative piece of legislation is one that will have ripple effects for generations to come. House Bill 8 didn't just bring together different stakeholders; it created community and provided a roadmap to successful implementation of public policy.

**This** is how public policy should be done.

As we look ahead, I am also fortunate to serve as the chair of the newly formed Community College Standing Advisory Committee, another testament to the commitment of keeping our sector's voice heavily involved in this process and ensuring that community colleges are heard. It is truly remarkable how the Standing Advisory Committee has worked expeditiously alongside the hardworking staff at the Coordinating Board to provide the emergency rules that you will consider today.

As I conclude my testimony, I urge adoption of the emergency rules packet. While there may be certain aspects of these emergency rules that will need further adjustment during the regular rule making process that will follow in coming months, I can say with confidence that adoption of these rules today will ensure that we can begin the HB 8 implementation process with integrity and a genuine commitment to success.

Thank you for your service to our state, and I would be happy to answer any questions or wait until my colleague Ray Martinez finishes his testimony.



## Texas Association of Community Colleges

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Testimony for Ray Martinez III, J.D.

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Good morning, Chairman Farias, Vice Chair Williams, and distinguished board members. My name is Ray Martinez, and I have the distinct honor of serving as President & CEO of the Texas Association of Community Colleges.

Over the past year, one of the more frequent questions I have received is, "*Why is now the time to revamp the funding model for our 50 community college districts?*" And the short answer is because we want to ensure greater student and career success and to preserve the continued vibrancy of our state's economy.

In a state as dynamic as Texas, where innovation and growth are not just aspirations but inherent traits, it's no surprise that we find ourselves leading the nation in job growth. Texas is currently the ninth-largest economy globally - with just over 15 million Texans in the civilian workforce. However, Texas has also seen unprecedented population growth - in fact, over the last 10 years, the Texas population has grown more than any other state in the nation.

To keep this economic momentum moving forward, we need to align our postsecondary credentials with our workforce needs - only then, will Texans be prepared to meet the challenges of tomorrow. That is why throughout the recently concluded 88th Texas Legislative Session, Texas' community colleges were unified in our support of House Bill 8.

A report earlier this year from the Federal Reserve Bank of Dallas shows that between now and 2035, Texas will create more than 4 million new jobs in industries such as Manufacturing, Information Technology, Transportation, Construction, and Healthcare. But many of these new jobs will be in the category of what the Dallas Fed calls "middle tier" skills - in other words, jobs that require more than a high school diploma but less than a four-year degree. This projection by the Dallas Fed presents both an opportunity and a challenge. While today we have a vibrant state economy, we must bridge the gap between the skills needed by our workforce, and the education and training that our citizens possess - and, according to data from the Coordinating Board, only 48 percent of working-age Texans currently hold certificates or degrees beyond a high school diploma.

Texas has an array of outstanding higher education institutions. And yet, we believe there is no sector better prepared to meet our state's workforce needs than our 50 community college districts. Texas has always embraced challenges head-on, and today we stand together to support a forward-looking solution – a solution that puts our community colleges in an even more vital role. Texas community colleges are uniquely poised to address the skills gap, enabling more Texans to earn the credentials necessary for high-demand, well-paying jobs. For example, according to the most recent data, 93 percent of all career and technical education degrees and certificates were awarded by community colleges; community colleges enroll approximately 94 percent of all dual credit students; and, perhaps most importantly, Texas ranks as the 6th most affordable in the country, in terms of average tuition and fees at public two-year colleges.



## Texas Association of Community Colleges

Clearly, transforming the funding model for community colleges was a critically important decision by the Texas Legislature. House Bill 8 reflects a commitment among all stakeholders to address the needs of both students and the workforce. It directly connects education with employment so that students learn not just for the sake of knowledge, but for the fulfillment of meaningful careers.

In a time when the value of higher education is being questioned, Texas stands as a pioneer by connecting community college funding to tangible, student-centered outcomes. By embracing data-driven solutions, we tackle enrollment challenges and ensure that the value of higher education remains unquestionable.

In conclusion, as Dr. Serrata outlined moments ago, Commissioner Keller and his team have been integral to the success of the Commission recommendations and to the passage of House Bill 8. To be more direct, House Bill 8 would not have passed without the hard work and sustained support of Commissioner Harrison Keller. His stewardship of this process has been profound and impactful - we are tremendously grateful for his efforts - and the entire agency staff - for the strong and enduring partnership that we now have between TACC and the Coordinating Board. For example, last week, TACC and Coordinating Board staff co-hosted a webinar via Zoom to answer questions about the new financial aid program for dual credit students - we had over 300 participants from community colleges, including 22 community college presidents and chancellors.

Finally, while we support passage of the proposed emergency rules under consideration today, as with any major piece of legislation, we know there will need to be further adjustments along the way. We look forward to the work ahead.

Thank you all for your dedication to this transformative change. I would be happy to answer any questions.