

House Committee on Higher Education - Formal Requests for Information

Texas Association of Community Colleges

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Interim Charge 3:

1. How can the state meet the goals of 60x30TX?

While Texas has made significant progress towards the completion goals of 60X30TX, the current trends suggest the state is at risk of falling short of the overall goal of having 60% of the adult population obtain a postsecondary credential by 2030. Texas community colleges present an opportunity to accelerate the state's postsecondary output. Between 2010 and 2018, community college degree and certificate output increased by 72% at time when enrollments remained relatively flat. Programs such as dual credit, early college high school, and P-TECH present opportunities to reach students while they are still in the public school system. Students enrolled in these programs often have the potential to receive certificates or associate degrees upon completion of high school. Early interventions like these will be required to make significant gains in degree attainment.

While the goals of 60X30TX are laudable, the goal assumes 40% of the working age population will not attain a postsecondary credential. The state's masterplan for education must be inclusive of this population and could benefit from setting goals related to industry recognized credentials and certificates not currently included under the metrics of 60X30TX. These certificates delivered through continuing education programs are a point of entry to gainful employment and future credentials.

Meeting the State's Workforce Needs

2. How has the pandemic impacted our state's workforce needs?

3. Is there legislative action that could help expand work-based learning?

Community colleges focus on solving problems and removing barriers for our students, employers, and communities. In each crisis there are opportunities. The coronavirus pandemic has had a devastating effect on our economy, small and large businesses, and the workforce. Since March, approximately 3.2 million Texans have filed for unemployment insurance and our unemployment rate has doubled since the beginning of the year. We are all hurting; however, this setback has set us up for a comeback, and community colleges will lead the way. Texas community colleges are already shaping the workforce of tomorrow and starting at a younger age through P-Tech and CTE. In 2018 community colleges saw an 80% increase in the number of CTE certificates.

The Federal Reserve Bank of Dallas says Texas has recovered about 522,000 jobs in May and June, about 40% of the 1.3 million jobs lost during March and April. However, the net number of jobs will decline 4.8% this year on a December-over-December basis. The post-coronavirus workforce will need high-value credentials relevant to high-demand occupations. Community colleges are built to meet employers' demands and can scale up quickly. Through existing

partnerships from Google to Toyota, using labor market intelligence, and workforce expertise, community colleges are key to successfully matching the workforce with employer needs.

Community colleges are willing partners with legislators to identify and remove workforce barriers, address industry shortages, and update policies to respond to future disruptions with a higher sense of urgency.

4. Do current community college district boundaries align with the needs of the communities they serve? If not, how should they be altered and why will those changes improve educational opportunities for Texans?

Texas community college service areas were established by the 74th Texas Legislature (1995) through the enactment of Senate Bill 397 authored by Sen. Bill Ratliff and sponsored by Rep. Tom Craddick. Per the Bill Analysis of SB 397, creation of delineated community college service areas was sought to avoid duplication of services. Since the creation of service areas in 1995, subsequent legislatures have amended service area boundaries multiple times through statutory changes; however, there has been no statewide revision to the map.

Short of requiring all of Texas to be in a college taxing district, designating service areas provided a plan whereby Texans across the state have access to the services of a community college, regardless of whether they resided in the taxing district of a college. A benefit realized from the creation of service areas was the clarification of roles for community colleges in respect to where and how they allocated their resources, providing for greater efficiency in the use of scarce resources. The creation of service areas also eliminated many of the disputes among colleges regarding boundaries and encroachment.

Community colleges service areas include most of the state and colleges have a physical presence in at least 106 counties (See Fig. 1 below). Physical locations track population centers: the median population of counties with a physical location is 48,981, or 0.17% of the state's population. The median population of counties without a physical location is 8,430, or 0.03% of the state's population. Today, factors impacting the efficacy of service areas include:

- Growth of dual credit and variability in dual credit tuition
- Variability in net asset values (NAV) among the 50 community college districts
- Legislative changes in service areas in some regions of the state
- Online education
- Environment that encourages “shopping” for dual credit

Texas has experienced substantial growth since the implementation of current service areas; however, growth has largely centered in urban counties, especially along the Interstate 35 corridor and greater Houston region. Many rural counties have experienced population decreases even as the state grows.

Service areas could benefit from a continual review process like legislative redistricting or agency sunset review. Like redistricting or a sunset review, such a process would be complicated but important. The coming 2020 census presents an opportunity for up to date data on population growth. Potential revisions to community college service areas will need to reflect the changing state demographics and regional variances across the state. Additionally, community colleges rely

on a mix of revenue sources including tuition, local property taxes, and state appropriations (see Fig 2). The level of reliance on each source varies widely across institutions; therefore, service area changes can have different fiscal implications depending on an institution's profile. Colleges with lower property tax revenue could be more significantly impacted by changes to service areas and subsequent enrollment patterns. Factors to be considered before any changes to existing boundaries should include:

1. Regional targets on participation by higher education regions as established by the THECB.
2. Current levels of service and investment in each service area/county
3. Texas population growth patterns
4. Dual credit participation rates by school district
5. Matriculation patterns of high school graduates to postsecondary education
6. Distance to a campus for a population
7. Ideal population targets for campuses
8. Education desert spots
9. Meeting the goals of 60X30TX

5. What is the current capability to handle an influx of Texans seeking re-training or upskilling opportunities through state programs?

The pandemic has caused a fundamental change, and we are adapting and evolving to increase our bandwidth to help our communities. Texas community colleges have a history of being bold – through ideas and action. During the great recession we did less with more and were tenacious in our efforts to upskill and re-train the workforce. With fifty community colleges covering 249 counties community colleges will have partnerships and training opportunities to serve the needs of Texans.

To better serve our constituencies we need to act boldly and decisively. Community colleges are ready to collaborate from Texarkana to El Paso and from Dallas to South Texas. One bold idea is the statewide Texas Talent Pathways (formerly referred to as 300X300). With the help of the Legislature, the community college-led Texas Talent Pathways initiative will seek to deploy workforce education in high-demand fields to 300,000 Texans within 300 days.

Significant shifts in the market have resulted in the elimination of many existing jobs, and the creation of over 500,000 new ones. But first we must realize the mismatch between workforce needs and unemployed and underemployed workers' skills. Texas Talent Pathways identifies high-demand skills and offers related certifications. Community colleges offer hundreds of certificate options putting students back in the workforce quicker and more efficiently to earn more money for their families.

Through regional pipelines we can restart the economy statewide by partnering with our policy makers. Community colleges have the infrastructure to meet the demands, can meet the needs of workers where they live, and provide re-training or up skilling online or in-person.

7. What improvements could be made to alleviate 'summer melt' and to facilitate streamlined student advising?

Regional collaboratives can support high school to college transitions and alleviate "summer melt". Even as higher education institutions and school districts were managing the weekly challenges of the COVID19 pandemic, Texas witnessed a rise in partnerships aimed at increasing

postsecondary education enrollment among the high school graduating class of 2020. Two such collaboratives follow:

Houston Endowment supports Houston-area students

Supported by the Houston Endowment, Houston ISD and ten higher education institutions in the region are collaborating to assess the primary challenges students are facing and identify solutions that can be implemented in the short and long term. The project hopes to build upon those short-term steps to develop longer-term cross-system practices and policies that make the college transition more seamless for students. Three program goals guide this partnership:

- Assess the challenges college-bound students from the Houston region are facing as a result of COVID-19 that stem from current K-12 and higher education processes.
- Identify “low-lift” opportunities for K-12 and higher education institutions to collaborate in the short-term to address such COVID-19-related challenges.
- Identify other areas not specific to COVID-19 that could be examined and acted upon in the longer term through ongoing partnership between K-12 and higher education institutions to support postsecondary enrollment and success.

Summer Bridge Program

Supported by the Texas Education Agency and led by Commit Partnership, the Summer Bridge Program was launched in a partnership between Dallas ISD and area colleges and universities. The program provides recent high school graduates opportunities to complete an online course, which provides academic enrichment and pre-college preparation skills aimed at lowering rates of so-called “summer melt”. As a part of the Summer Bridge program, the participating college or university would agree to use the successful completion of the online course as a proxy for determining college readiness. In other words, students who complete the online course would be deemed college ready for purposes of Fall 2020 enrollment.

9. Does the overall financial status of small and rural community colleges affect their capacity to meet the goals of 60x30TX?

Small and rural colleges are not immune to the issues facing small school districts or rural communities in general. Limited local resources, modest property values, and, in some cases, declining population all put stress on institutions. Less-resourced institutions often cannot offer some of the tuition waivers and other supports as their larger, urban counterparts. While state funding on average represents roughly 25% of available funds for community colleges, this percentage is significantly higher for small and rural colleges (see Fig 2). As a result of higher dependency on tuition and the state funding formula, volatility in enrollment has a more pronounced effect on small and rural colleges.

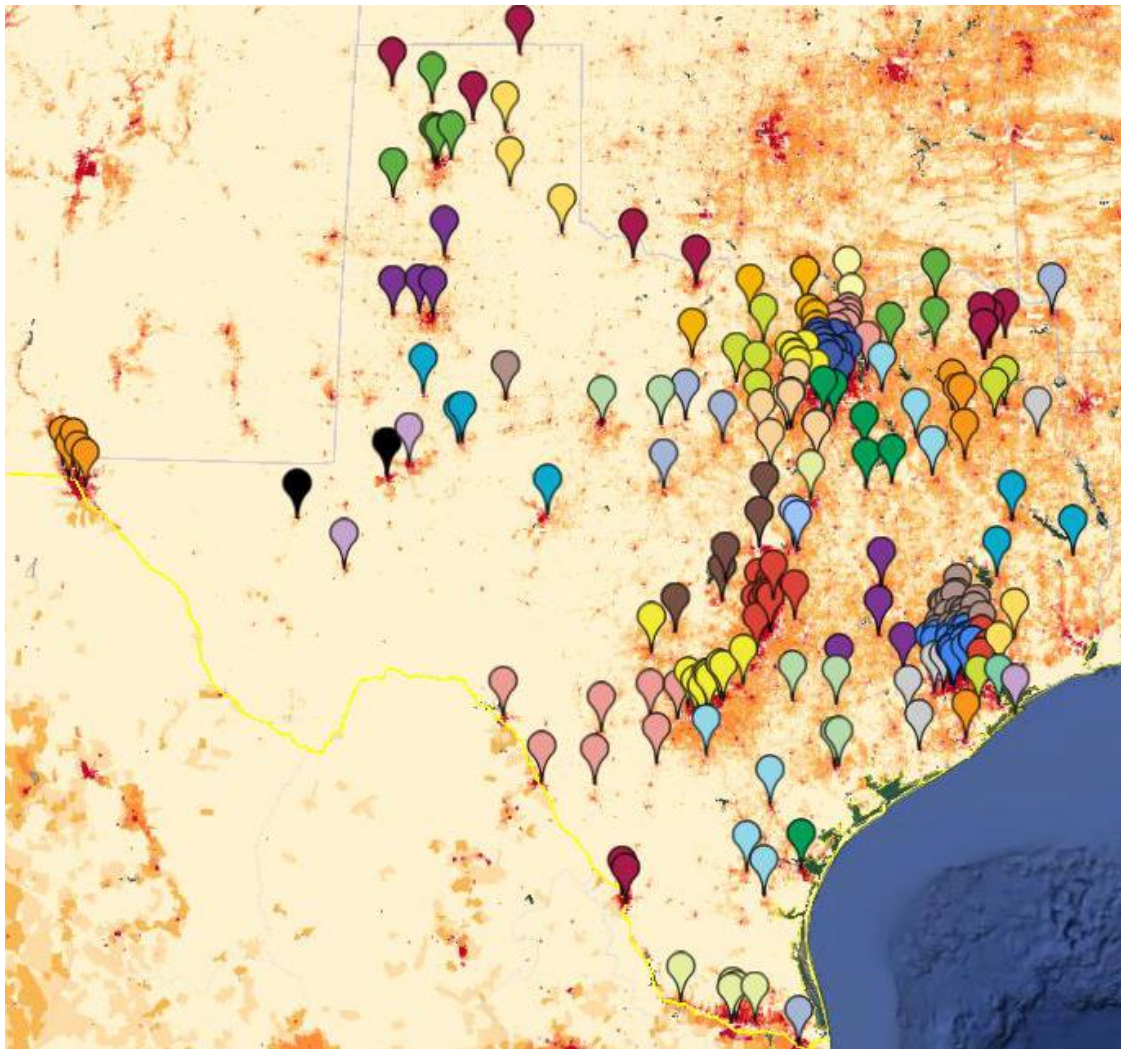
10. How has the overall financial status of small and rural community colleges been affected since COVID-19? How does that affect their ability to carry out normal operations?

TACC collected responses to the most recent iteration of the Legislative Budget Board (LBB) survey from 37 of 50 community college districts. Based on the data actually received and estimates of the statewide figures assuming that non-reporting colleges would roughly mirror the averages of their size-based peer group, colleges across the state have experienced significant financial harm as a result of the pandemic. TACC analysis of the reported data estimates that the

community college sector as a whole will experience a financial loss of \$72.2 million in FY 20 as a result of the pandemic, notwithstanding an estimated \$123 million in projected reimbursements statewide.

As colleges begin the fall semester, new or increased costs related to safe campus re-opening and online education are already being borne. These costs are more pronounced at small and rural colleges that are often less resourced than their large and urban counterparts. Early indications of enrollment declines, and the related declines in tuition revenue, could increase unreimbursed losses heading into the Fall 2020 semester.

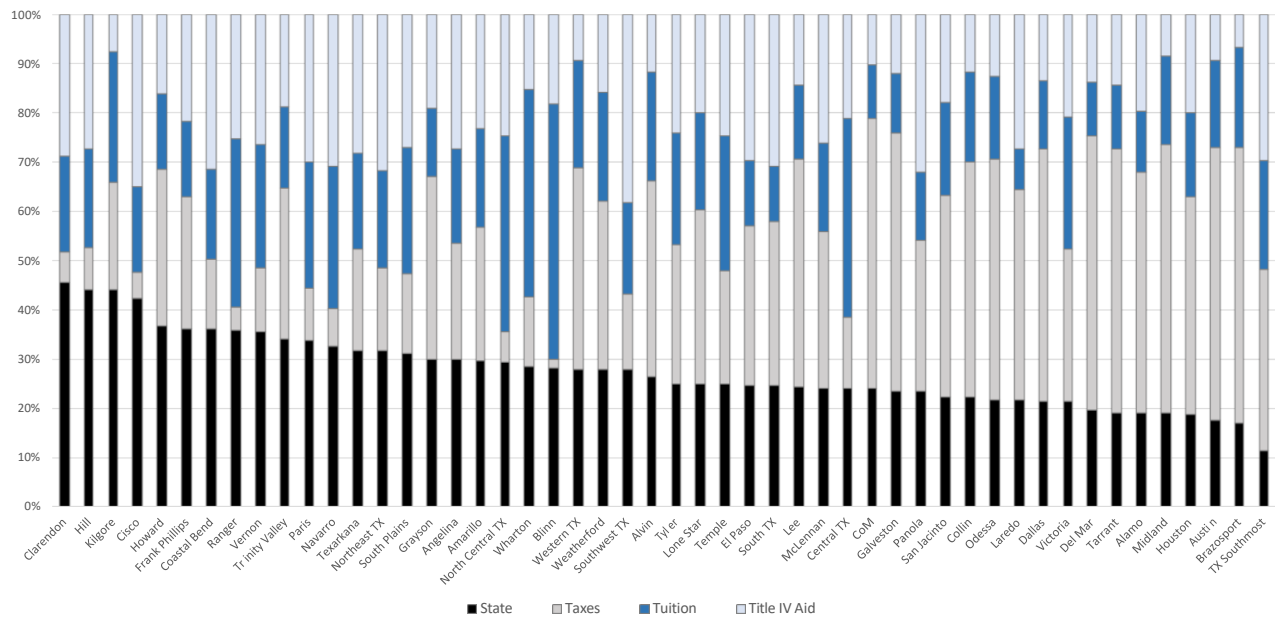
Fig. 1
TEXAS COMMUNITY COLLEGE CAMPUS LOCATIONS /
POPULATION 2020 (estimated)



*1(*Center for International Earth Science Information Network - CIESIN - Columbia University. 2018. Gridded Population of the World, Version 4 (GPWv4): Population Density, Revision 11. Palisades, NY: NASA Socioeconomic Data and Applications Center (SEDAC).

Fig. 2

Three Primary Sources of Operating Revenue, FY 2018



*Does not include federal, state, or local grants and contracts, investment income, gifts, or revenue from auxiliary enterprises.