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TO: House Committee on Higher Education
FROM: Chancellor Mike Reeser, TSTC
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REGARDING: Request for Information, Interim Charge #3

Interim Charge 3:

Review progress toward the goals of the 60X30TX plan, including institutional strategies for responding to diverse and rapidly changing workforce needs and demands, including workforce education, industry certification, and degree programs to address healthcare shortages. Specifically review community colleges' capacity to meet the goals of 60X30TX, including a review of taxing districts and service areas versus geographic areas of need. Review the Tri-Agency Workforce Initiative's work-based learning, industry-aligned internships, and industry credential initiatives. Consider whether legislative action may be needed to expand work-based learning and recruitment efforts for adults who have previously completed some college level coursework.

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

The 60x30TX plan highlights four student-focused objectives – all aimed at ensuring that students obtain the college credentials and marketable skills necessary to succeed in the workforce and that they do so with manageable debt.

The nature of TSTC's Returned-Value Funding Formula naturally creates an incentive for the College to focus on each of these goals. The formula funds TSTC only after students leave the College and are in the workforce for five years. Thus, TSTC puts priority on both student completion and student employment. As a result, completion rates at TSTC have increased 66 percent since the College began its conversion to the new outcomes-based funding formula.

TSTC is paid based upon student earnings after employment. Thus, TSTC specializes in program offerings in high-demand, high-wage fields. As a result, TSTC graduate earnings have increased 83 percent in the first six years under the formula.

Learned skills that do not lead to jobs are not actually “marketable” and do not benefit the student or the state. Therefore, TSTC routinely analyzes the vitality of each of the College’s programs based upon a series of variables, including student enrollment, cost of the program, regional job potential, and student earnings potential. Programs that fall short are either relocated to a different campus if they more appropriately serve that region of the state or eliminated to create or build additional capacity for a program more suited for the region. *See TSTC Attachment A, 44-Program Vitality Chart.*

Cost of attendance at TSTC is among the lowest in the state. Any student debt is, in fact, too much debt when education does not lead to a job with sufficient wages to repay that debt. Because TSTC focuses on student employment in high-wage, high-demand fields, student debt is exceedingly manageable for its graduates.

Additionally, TSTC offers a Money-Back Guarantee (MBG) Program for students in five high-demand fields, to include Diesel, Electrical Lineworker, Electrical Power & Controls, Instrumentation, and Welding. *See <https://www.tstc.edu/about/moneybackguarantee>.* If an MBG student does not secure a job within six months of graduation, he/she will receive a full tuition refund from TSTC.

The point is that, for technical education, institutions must evaluate job demand in each region and then design program offerings to match those available jobs. In that way, the goals of 60x30TX can be achieved by individual institutions.

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

COVID-19 brought massive layoffs in the hospitality, tourism, and retail sectors. These layoffs, coupled with those in the petrochemical arena, have produced the highest unemployment rate since the Great Depression. Recovery likely will involve two phases of workforce training. The first phase should address the immediate retraining needs of displaced workers, as well as the workforce needs within those industries that are still operating and that faced a shortage of skilled workers before the pandemic.

The second phase of workforce training should address needs resulting from the likely return and on-shoring of many sectors that had moved off-shore. This will happen largely for national security reasons. Additionally, the state should continue to benefit from the relocation of various business and industrial sectors attracted to the stability of Texas’ economy. As these things happen, higher education must anticipate where the growth will happen and adjust accordingly.

TSTC has the analytics and industry partnerships in place to identify and respond appropriately to these training needs. The College's Rapid Industry Skills & Employability (RI\$E) Program is but one example. See *TSTC Attachment B, RI\$E Fall Programs*. Also, for more information on RI\$E, see the response for Question #5.

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

The needs of Texas employers do not match perfectly with the state's ability to provide a qualified workforce through the existing institutional structures and constraints. This is especially true for the skilled trades. Some areas of the state have a surplus of training opportunities while others face shortages.

The state would benefit from a concerted outreach to employers, rather than institutions of higher education, to determine the most optimal paths to maintaining a qualified workforce that matches the very real and pressing needs of Texas employers. Those paths may, indeed, include legislative action, but they could also include administrative rulemaking adjustments to existing institutional structures and/or more targeted or flexible program offerings by institutions of higher education. As the end users of any work-based learning programs, employers know best what is needed. Aligning institutional practices with employers' needs ensures that training programs lead to jobs for students, as well as to the enhancement of Texas' economic vitality.

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?

For TSTC, these rules are contradictory. Per Chapter 135 of the Texas Education Code (TEC), TSTC is authorized to be a statewide institution charged with the expressed mission of delivering high-skill, high-demand workforce training. However, certain provisions within both the TEC and the Texas Administrative Code impede this critical statewide mission, especially in the delivery of workforce training programs. The jurisdictional constraints of service delivery areas can delay or even prevent industry from receiving the specialized workforce training needed to improve its workforce.

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

TSTC is a system of 10 campuses across Texas. In addition to the College's ongoing efforts to target high-demand workforce needs and to align programs at campuses to match those needs on a regional basis, TSTC has developed the Rapid Industry Skills &

Employability (RI\$E) Program in partnership with business and industry. The program is an innovative way to get Texans back to work. Courses in the RI\$E Program are delivered online, face-to-face, or a hybrid of both. These are short-term, skill-focused courses that provide basic technical skills for entry-level careers in as little as 7.5 weeks. Students earn Occupational Skills Awards with successful completion. See <https://www.tstc.edu/programslist/rise> and TSTC Attachment B - RI\$E Fall Programs.

TSTC capabilities and know-how are significant, but finite. For some TSTC programs that target the high-demand occupations, the output of trained graduates is constrained by limits in the physical space available at the College or by the fixed amount of specialized equipment needed for hands-on training in the technical skills. Less common, but also an issue, is the availability of qualified faculty to teach these highly technical programs.

6. What is needed in order to identify and address gaps in existing data collection methods?

Data collection, reporting, and distribution should be designed more to enhance how that data can be put to work to drive strategic decisions and policy – and less as a function of compliance. Examples include: (A) ensure data outputs are published as machine readable files suitable for additional manipulation versus PDFs or heavily formatted documents; (B) incorporate job title, hours worked in a quarter, and county worksite in the Unemployment Insurance data collection to enable measurement of training effectiveness across workforce and education programs (*i.e., does training equate to job in same field*); and (C) improve the coding of instructional program names (*i.e., CIP codes*) at the postsecondary level to ensure that collected data is properly classified.

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

TSTC operates year-round, concurrent semesters; therefore, “summer melt” does not generally have a significant impact upon fall enrollment.

8. What changes, if any, are needed to align data collection between the THECB, TWC and TEA in order to collect consistent metrics?

Improve the sharing of data between the TEA, THECB, and TWC for students transitioning between high school and college, as well as for those transitioning into the labor market. Additional examples include: (A) format data provided through the Texas P-20 Public Education Information Resource (TPEIR) longitudinal enrollment and completer data in a manner that allows for a clear understanding of what happens to

high school students after graduation; (B) implement the recommendations of the Texas Tri-agency partnership detailed in the two reports – *Prosperity Requires Being Bold: Integrating Education and the Workforce for a Bright Texas Future* and *Prosperity Requires Being Bold: A Progress Report*; and (C) expand the SkillsEngine effort led by TSTC to build a common framework for understanding and modeling skills needed by Texas employers that will ensure educational and training programs align with labor market needs. See <https://skillsengine.com/calibrate>.

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

Not Applicable

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?

Not Applicable