



To: House Committee on Higher Education
From: Tony Bennett, President & CEO, Texas Association of Manufacturers
Mike Meroney, education and workforce consultant for TAM
Date: September 1, 2020
Re: Committee request for information regarding interim charge #3

The Texas Association of Manufacturers (TAM) represents over 600 manufacturing companies in Texas, including 70 of the state's largest industry employers. Manufacturing is a core element of the Texas economy, directly employing over 869,000 workers who earn an average compensation of more than \$82,500 annually. Moreover, a typical manufacturing job supports 3.8 additional jobs in our state, with some industry sectors, such as petrochemical - which uses Texas oil and gas - providing even higher related job multiples. Viewed in this manner, manufacturing accounts for about 30% of our state's overall employment.

1. How can the state meet the goals of 60x30TX? Alignment is key: from K-12 through post-secondary programs and training, to meet the various workforce needs of Texas industry.

In middle and high school, manufacturers continue to support both strong academics and strong CTE (career and technical education) to prepare students to fill all the job needs of employers. CTE programs also help students with career awareness, hands-on project-based learning, and often collaboration with businesses in the region. TAM Supports dual credit in high schools - both academic and CTE dual credit - to help make college more affordable and to get a head start on post-secondary opportunities. ISDs across Texas need clear guidance about what programs and curriculum are valued by business and industry. The TEA list of "approved" industry-based certifications (IBCs) is incomplete... not every certification can be completed by high school graduation, so ISDs need clear signals in the accountability system that certifications started in high school and finished later are valued by employers. More ISDs should be conferring certifications and associate's degrees alongside high school graduations, working with their higher education partners to offer more to students and potential employers. Manufacturers also support "earn-while-you-learn" apprenticeship programs, but these are often difficult to accommodate high school students (under 18 years old) on manufacturing sites and shop floors.

Regarding post-secondary education and training programs, while the pandemic has provided challenges for the next state budget cycle, now is NOT the time to cut technical training and workforce programs. The current economic recession and high unemployment

rates means Texas should reallocate resources for up-skilling and re-skilling to get more Texans trained for the jobs that remain, often middle skill trades. Manufacturers strongly support the Texas State Technical College (TSTC) model of outcomes-based funding that pays the system based on the graduates' income. This unique approach is laser-focused on quality instruction and job placement, not contact-hour models of community colleges. We also support the community colleges' version of outcomes-based funding – Success Points – that serve as more of a bonus system, not part of their base budgets. Institutions of higher education are only effective when they have ongoing cooperation and collaboration with the businesses they serve.

TAM strongly supports the Texas Workforce Commission's Skills Development Fund (SDF) and JET Fund (for higher education equipment investments). Like high schools and colleges, we encourage employers to have strong working relationships with local workforce boards to help everyone understand the needs of employers so that talent pipelines are filled with skilled and educated prospective employees.

2. How has the pandemic impacted our state's workforce needs? The pandemic has highlighted in-person vs. virtual learning environments, and some colleges are struggling to justify the tuition they charge. Manufacturers have always encouraged students and parents to do their homework on return on investment for professions and programs. Ultimately, many technical and skilled trades programs *must* have in-person training and skills demonstration verification to be effective. The pandemic's silver lining could be that the federal government almost immediately provided clear guidance (through the Department of Homeland Security's CISA memo on Essential Critical Infrastructure Workforce) of which careers and industries were deemed "essential", and therefore critical to the country's economy. We hope students and their families learn a valuable lesson about the stability of industries, like manufacturing, that must remain open for business, even in a pandemic.

4. Do current community college district boundaries align with the needs of the communities they serve? Unfortunately, geographical boundaries of community colleges can be barriers to quality programs in certain areas of the state, either by programs offered or geography served, but especially in areas outside authorized taxing districts. For employers seeking to collaborate with a higher education partner to serve their need, we should allow a community or junior college the first right of refusal to meet those needs. If the community college is unwilling or unable, local employers should be able to invite competing higher education and workforce training providers to partner with them.

6. What is needed in order to identify and address gaps in existing data collection methods? And 8. What changes, if any, are needed to align data collection between the THECB, TWC and TEA in order to collect consistent metrics? State agencies must collect, share and distribute robust data on careers, wages, education and program outcomes, to better serve employers and to inform students (and their families) to make the right decisions about their education and ultimately, return on investment.