



Texas House Committee on Higher Education

Houston Community College Response Relating to Interim Charge 3

September 1, 2020

Thank you for the opportunity to provide the Committee on Higher Education with information regarding the implementation of certain legislation passed by the 86th Legislature. Our responses to the relevant considerations are available immediately below.

Houston Community College (“HCC”) specifically addresses Interim Charge 3 which *relates to 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.*

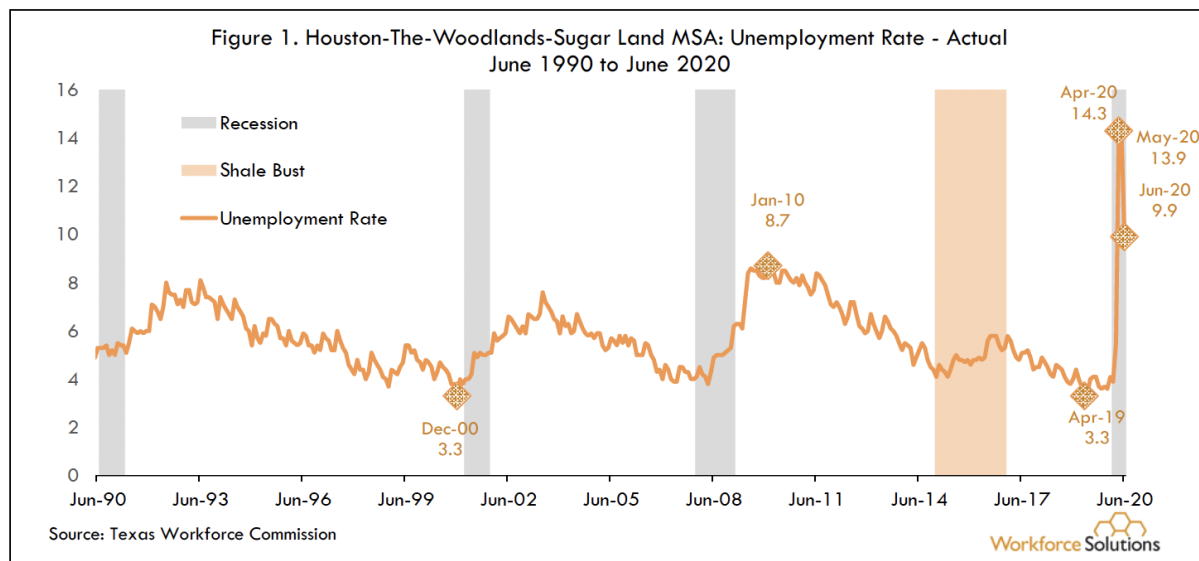
We will also *review community colleges’ capacity to meet the goals of 60X30TX, including a review of taxing districts and service areas versus geographic areas of need; and, review the Tri-Agency Workforce Initiative’s work-based learning, industry-aligned internships, and industry credential initiatives. 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.*

Progress Towards Goals of 60x30TX Plan

While the 60X30TX goal is laudable, it 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.

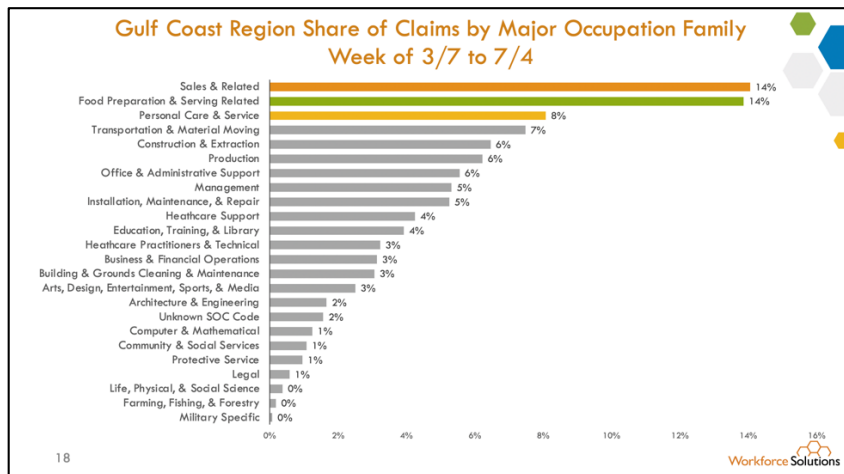
As a macrocosm of smaller regional clusters across the state, the gulf coast region simultaneously includes economic activity as found in coastal counties, rural communities, the urban metropolis, and an industrial powerhouse. In this respect the effect of the pandemic on the broader state can be seen clearly through the lens of the Gulf Coast region. To this end, the immediate and profound effect of the pandemic caused a major disruption in the region’s workforce. As the graph below indicates, job losses in the region were unprecedented during the pandemic with the unemployment rate soaring to 14.3%, higher than the last three recessions.

Nonetheless, this figure quickly bounced back as the state began reopening in response to temporary lockdown.



Gulf Coast Workforce Board Meeting, 8/04/2020

Digging into the unemployment claims data, however, reveals that the negative jolt of the pandemic was focused and centered on occupations that specifically felt the effects of the temporary lockdown. Parker Harvey, Principle Economists at the Gulf Coast Workforce Board, analyzed unemployment insurance (“UI”) claims from March to July 2020. His finding revealed that of the close to 800,000 UI claims filed, the majority of the claims came from consumer-based sectors including Personal Care, Retail Trade, and Sales as indicated below:



Gulf Coast Workforce Board Meeting, 8/04/2020

While across the nation all sectors of the economy felt the pinch created by the tightened market during the worst part of the pandemic, these sectors were hurt the hardest. The analysis also breaks down UI claims by educational attainment and age. In both categories, the data speaks to the same three occupational sectors with the largest losses.

Of interest, however, the analysis also points to an unexpected finding regarding unemployment claims for advanced degree earners. Education and Health Care fared significantly worse for workers with a bachelor's degree or higher. More than this fact though, during the same reporting period as the pandemic, the nation was also facing an oil crisis triggered by production in the Middle East, and yet as the graph denotes UI claims in oil and gas related occupations was minimal during this period. This may have much to do with the region's wide portfolio of refineries and refining capacity as well as the downstream labor market required. Ultimately, it signals that the effect of the pandemic on the labor market was a shock to the system, and more importantly, temporary.

While across the region the pandemic did lead to job losses, there were some highlights as well. Job posting data from March to July remained high with 345,000 unique postings. Within these, truck drivers, registered nurses, and computer science related occupations remained extremely in demand. In many respects, the pandemic increased the demand for these occupation fields as movement of goods within the supply chain heightened, hospitalizations increased, and technology was taxed.

In sum, the pandemic was an immediate and taxing event on the labor market. Specific sectors felt this much worse than others, most prominent among these, personal care and retail. The pandemic also uncovered areas of the labor market that are essential to regional economies of all sizes, namely technology and supply chain and logistics. Additionally, the pandemic instantaneously disrupted business as usual. As a looming change on the horizon, digital skills and a reliance on technology will drive the future of work; the pandemic was the catalyst for this change.

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.

Legislative Action Needed to Expand Work-Based Learning

Work-based learning consists of a variety of paid and unpaid opportunities for students to participate in workforce development while still a student, including cooperative education and internship experiences, practicum and clinical experience, registered apprenticeships and on-the-job training. Unfailingly, research continues to prove out that all of these experiences lead to higher student program completion and placement rates and higher retention and productivity in employment. To this end, legislative action could expand the reach of work-based learning through the following ways:

- Incentivize Partnerships that include education and employers through grant programming.
- Provide employers that engage in such partnerships tax incentives
- Increase funding for dual credit, both SCH and CE, when partnered with employers
- Create alternative funding mechanisms for dual credit programming that allows “ADA Seat Time” for 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.

Colleges are poised to upskill and reskill those in need to jumpstart careers through short term training based on high demand occupations; however, current state programming often can be cumbersome to engage in for employers seeking to access workers quickly. The state should look at easing restrictions on funding that disallow employers and colleges to be nimble to the changing labor market. The state should incentivize innovative projects that do not specifically follow traditional grant programs and that include multiple partners including education, employers, community-based organizations, and local government agencies such as workforce boards. Such consortia activity generally leads to increases in job placement and retention.

Community College District Boundaries

Texas community college service delivery areas – boundaries – were established by the 74th Texas Legislature (1995) through the enactment of [SB 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.

As indicated by the Texas Association of Community Colleges (“TACC”) in its response to this charge, community colleges’ service delivery areas include most of the state and these colleges have a physical presence in at least 106 counties. TACC also provides that 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. Moreover, TACC indicates that factors impacting the efficacy of service areas include:

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

The data shows that 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. The data also shows that many rural counties have experienced population decreases even as the state grows.

As the Legislature further examines the issue of service delivery areas, factors to consider non-exclusively include:

- Regional targets on participation by higher education regions as established by the THECB
- Current levels of service for each service delivery area/county
- Texas population growth patterns
- Dual credit participation rates by school district
- Matriculation patterns of high school graduates to postsecondary education
- Distance to a campus for a population
- Ideal population targets for campuses
- Education desert spots
- Meeting the goals of 60X30TX

Notwithstanding the aforementioned factors, any statutory change to a community college service delivery area warrants careful examination by the Legislature and other interested parties (*e.g.*, The Texas Higher Education Coordinating Board and potentially affected community colleges). Important to this analysis is an interim study – perhaps with the assistance of the [RAND Corporation](#) – that identifies the pertinent issues and other relevant factors that operate to serve the best interest of the state.