

# HOUSE COMMITTEE ON HIGHER EDUCATION

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## WRITTEN TESTIMONY

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### INTRODUCTION

Good morning, Chairman Murphy and committee members, I am Dr. Cesar Maldonado, Chancellor of the Houston Community College System, testifying today on the impact of investments provided under SB 1102 (87R), now law, *relating to the establishment of the Texas Reskilling and Upskilling through Education (TRUE) initiative to support workforce education at public junior colleges*. We provided a slide deck to accompany today's testimony and ask that you refer to it for additional detail.

### TRUE INITIATIVE

SB 1102 (*i.e.*, the TRUE Initiative) operates to prepare students for in-demand careers accelerating their transition to work. It also seeks to build an enduring education infrastructure to support a thriving Texas economy throughout the diverse regions of the state. The general provisions of the bill include but are not limited to accelerating new and expanding or redesigning existing workforce training programs in high-demand skills occupations.

## STATEWIDE TRENDS AND OUTLOOK

Statewide trends suggest that Texas continues to outpace the nation in job growth for 2022. Fields such as construction, manufacturing and oil and gas and mining show marked increases in job growth. These occupations rely heavily on middle skill workers.

A recent report identifies Texas having a significant worker skills deficit that hampers companies' ability to fill jobs.<sup>1</sup> During the 2017-18 academic year, the number of degrees and certificates awarded by Texas Institutions of Higher Education (IHE) fell short of market demand.<sup>2</sup> In fields such as education, business, health, construction, and computer information sciences alone, 55,000 middle skill jobs were left unfilled.

From July 2021 to June 2022, 1.17 million jobs were posted by employers in Texas for occupations requiring less than a four-year degree. Community colleges are the primary trainers of students seeking these job opportunities. In fact, seasonally adjusted data from the Bureau of Labor and Statistics (BLS) shows that as of May 2022, Texas had 974,000 job openings.

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<sup>1</sup> Texas Comptroller (2020). Economy, Texas Community Colleges: Statewide Overview. <https://comptroller.texas.gov/economy/economic-data/colleges/texas.php>.

<sup>2</sup> *Id.*

Despite the critical need for middle skill workers, students enrolled in Texas' workforce programs declined by over 113,000 from Fall 2010 to Fall 2021.<sup>3</sup> Moreover, Texas high school graduates enrolling in higher education declined by 6% over the last decade.<sup>4</sup> This evidence suggests the critical need to invest in community college workforce programs that provide economic growth and security for families and communities. The TRUE initiative is an ideal public policy consideration that helps drive us towards positive outcomes.

### **HCC-HOUSTON REGION TRENDS AND OUTLOOK**

The conditions in Houston parallel those of the state of Texas. Houston's job growth remains positive with payrolls reaching 100.2 percent of February 2020 levels. This is below state figures but just above those of the United States, as a whole.<sup>5</sup>

Job growth in the Houston region is expected to continue with nearly half of that growth requiring middle skill occupations.<sup>6</sup> However, HCC's workforce education enrollments declined by 5,100 (or -27%) from Fall 2011 to Fall 2021 and HCC area high school graduates enrolling in higher education declined 7% over the last decade.<sup>7</sup> This data shows there is a perfect storm brewing at a time when we have a growing Texas economy and increased job demand, especially for middle skill occupations. These occupations are necessary for Texas' economic vitality

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<sup>3</sup> See <https://reportcenter.highered.texas.gov/meeting/advisory-committee-supporting-documents/txccc-presentation-harrison-keller-june-21-2022/>

<sup>4</sup> Texas Higher Education Coordinating Board, High School Graduates found in Higher Education, 2013-2014 through 2020-2021.

<sup>5</sup> See <https://www.dallasfed.org/research/indicators/hou/2022/hou2206.aspx>

<sup>6</sup> See Upskill Houston Report at [Middle Skills Matter to Greater Houston, Upskill Houston](#)

<sup>7</sup> Texas Higher Education Coordinating Board, High School Graduates found in higher education, 2013-2014 through 2020-2021.

and require some education beyond high school. The TRUE initiative is designed to counter the threat of declining workforce enrollment by providing funding for expansion and support. It is effectively addressing a compelling need to prepare students for in-demand careers and accelerate their transition to work.

### **Funding Permanency Promotes Sustainable Success**

The TRUE initiative helps community colleges do the following:

- Increase capacity
- Provide new and expanding programs
- Serve new areas

For example, HCC used TRUE funds to increase its cybersecurity training capacity in a consortium with Texas Southmost and San Jacinto College. With an implementation time of just six months, HCC increased its capacity by 175 students for an economic impact of \$1.5 million dollars. Funds have also been used to increase the capacity of commercial truck driving, and industrial construction programs. These programs benefit from TRUE and support supply chain needs.

### **CALL TO ACTION**

The proven, rapid response, and success of the TRUE bill gives us guidance on how to deal with the potential “perfect storm” serving to challenge the middle skills and workforce capacity. As the Texas economy continues to grow, providing a sustained and predictable funding stream modeled upon the TRUE bill will be critical to maintaining Texas as an economic leader.

Accordingly, we believe the state should continue to invest in the TRUE initiative. It is meeting a compelling need and serving the public interest of Building a Talent Strong Texas. We also ask the state to strongly consider making TRUE part of the funding formula of community colleges.

Thank you and I am available for any questions you may have of me.