

## HOUSE COMMITTEE ON HIGHER EDUCATION (Podium)

August 10, 2022

### VERBAL TESTIMONY (Summary of Written Testimony)

Cesar Maldonado, Ph.D., P.E.

#### INTRODUCTION

Good afternoon, Chairman Murphy and committee members. I am Cesar Maldonado, Chancellor of the Houston Community College System. Thank you for the opportunity to testify today on the impact of investments provided under SB 1102, *relating to the establishment of the Texas Reskilling and Upskilling through Education (TRUE) initiative to support workforce education at public junior colleges*. As you know, TRUE serves to prepare students for in-demand careers accelerating their transition to work, while building a lasting education infrastructure for long-term support of a growing Texas economy. The general provisions of the bill include the creation or expansion of training in high-demand skills occupations. We provided a slide deck to accompany today's testimony and ask that you refer to it for additional detail.

#### STATEWIDE TRENDS AND OUTLOOK

Statewide trends indicate that Texas continues to outpace the nation in job growth, with nearly 6% growth forecast for 2022. Fields such as construction, manufacturing and oil and gas show marked increases in job growth. These occupations rely heavily on middle skill workers – the very workers that graduate from Texas community colleges.

A recent report from the Texas Comptroller identifies Texas having worker-skills deficits that are leaving jobs unfilled. During the 2017-18 academic year, the

number of awards from Texas Higher Education Institutions fell short of market demand with 55,000 middle skill jobs left unfilled.

From July 2021 to June 2022, nearly 1.2 million jobs were posted by Texas employers for occupations requiring more than a high school education but less than a four-year degree. Community colleges are the primary trainers of students seeking these job opportunities.

Despite the critical need for middle skill workers, students enrolled in Texas' workforce programs declined by over 113,000 between Fall 2010 and Fall 2021. Moreover, Texas high school graduates enrolling in higher education declined by 6% over the last decade. This evidence points to the critical need for investment in community college workforce programs.

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

Conditions in the Houston Area parallel those of the state. Houston's job growth remains positive with payrolls recently surpassing February 2020 levels.

Job growth in the Houston region is expected to continue with nearly half of that growth in middle skill occupations. However, similar to the state, HCC's workforce programs saw an enrollment decline from Fall 2010 to Fall of 2021. This decline of 5,100 students was coupled with a decline of 7% in area high school graduates enrolling in higher education over the same period. These trends point to a perfect storm brewing to challenge the state's economic growth - increased middle skill job openings with declining enrollments in those demand occupations. Filling these job vacancies – positions that require some education beyond high school – is necessary for the state's economic vitality . The TRUE

initiative is designed to counter the threat of declining workforce enrollment by providing funding for expansion and support.

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

An example of this is HCC's use of TRUE funds to increase its cybersecurity training capacity in a consortium with Texas Southmost and San Jacinto Colleges. With an implementation time of just six months, HCC increased its capacity by 175 students for a potential economic impact of \$1.5 million. TRUE funds have also been used to increase the capacity of commercial truck driving – adding 120 seats - and industrial construction– expanding capacity by 75 seats. By funding such programs, the TRUE initiative has proven to be a public policy that drives positive outcomes in meeting employer needs.

### **CALL TO ACTION**

The success of the TRUE bill gives us guidance on how to deal with the potential “perfect storm” challenging the growth of middle skills workforce capacity. A sustained and predictable funding stream modeled upon the TRUE bill is critical to maintaining Texas as an economic leader.

Fittingly, we believe the state should continue to invest in the TRUE initiative. It is “Building a Talent Strong Texas”. We also ask the state to strongly consider making TRUE part of the funding formula for community colleges.

I thank Chairman Murphy, the committee, and Commissioner Keller for their support in Building a Talent Strong Texas. Thank you and I am available for any questions you may have.