



SB 1102 (87-R): TRUE Program

Written Testimony submitted to the House Committee on Higher Education

August 10, 2022

Key Takeaways:

- The standalone value of a high school diploma declined over the past decade, making postsecondary education and training increasingly necessary for economic mobility.
- The Texas Reskilling and Upskilling Through Education, or TRUE, program is providing accessible pathways to short-term credentials that have significant returns-on-investments.
- The credentials supported by the TRUE program should advance the state's progress towards its new higher education strategic plan, *Building a Talent Strong Texas*, in helping more Texans complete a workforce-aligned credential of value.
- The Texas Legislature can build on the TRUE program and systemically strengthen its education-to-workforce pipeline through community college finance reform.

The importance of postsecondary education continues to increase in the modern labor market. The share of high-wage jobs paying at least \$65,000 annually held by Texans with a high school diploma or below dropped from 51% to 11% over the last decade.¹ At the same time, Texans with a certificate or degree, or simply some college experience, became more likely to have a high-wage job. The state, however, has not made enough progress in graduating Texans with a postsecondary credential with only 46.7% of Texans aged 25-34 and 45.9% of Texans aged 35-64 currently having a credential.² In other words, the majority of working age Texans generally do not have the credential required by jobs enabling economic mobility and long-term wealth.

While the state continues to add jobs, businesses face challenges in accessing necessary skills in the current labor force. Sustaining the state's economic growth will require bolstering the quality and quantity of our skilled workforce to better align with employer needs. This is particularly true for Texans without a credential and those whose skills are mismatched compared to the skills required by in-demand, good-paying jobs.

¹ Aim Hire Texas, *Aim Hire Texas Workforce Issues*, February 2021, page 68, <https://texas2036.org/wp-content/uploads/2021/04/AHT-Initial-Findings.pdf>.

² Texas Higher Education Coordinating Board, Quarterly Board Meeting held on January 27, 2022, <https://reportcenter.highered.texas.gov/meeting/board-supporting-documents/jan-2022-board-item-viii-a-60x30tx-refresh/>.

Short-Term Credentials Supported by the TRUE Program can Help Texas Quickly Improve and Expand its Workforce Pipeline

The state's tight labor market has elevated the necessity of reskilling and upskilling. There was an average of 575,000 available jobs every month in 2019. Over the past twelve months, the monthly average increased to over 936,000.³ Combined with a steadily decreasing unemployment rate, the pool of available talent for skilled jobs is unable to keep pace with the state's job growth. Filling these available jobs requires providing underskilled and underemployed workers with accessible reskilling and upskilling programs. The short-term credentials supported by the TRUE program can help ensure that there is sufficient capacity to serve our fellow Texans.

Short-term credentials are already available, particularly in Texas community colleges. For example, Alamo Colleges offers a six-month program where students can earn a Google IT Support certificate for \$179.⁴ The skills taught provide entry into computer user support specialist jobs, which pay an entry wage of \$31,700 and a median wage of \$47,459 in Texas.⁵ The TRUE program is helping further expand access to these types of programs where Texans can get a strong wage premium for a low cost and shorter time commitments than two- and four-year degrees.

The State Should Incentivize the Attainment of Short-Term Credentials of Value to Meet Its Higher Education Goals

The state's new *Building a Talent Strong Texas* (BTST) higher education plan emphasizes the need to align higher education opportunities with workforce needs through credentials of value. These credentials have wage premiums validated by earnings of graduates who hold the credential, showing their value in filling employers' needs while providing students with a return on their investments. In addition to establishing the TRUE program, SB 1102 (87-R) requires the Texas Higher Education Coordinating Board (THECB) to collect and report data related to the short-term credentials supported by the TRUE program. Data on short-term credentials were not required to be maintained at the state or institution level prior to SB 1102.

This is an opportunity to provide students with quick and affordable reskilling and upskilling opportunities while also building the long-term data infrastructure needed to expand the number of valuable credential pathways available in Texas. Incentives, like the TRUE program, for these short-term credentials of value then provide the state with multiple benefits: realistic pathways to economic mobility for underskilled and underemployed Texans, quicker opportunities for Texas employers to get the skilled workers they need, and efficient progress towards meeting the goals of BTST.

The Texas Legislature can Build on the TRUE Program's Progress Through Community College Finance Reforms in the 88th Legislative Session

³ U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), Job Openings, 2019, 2021 & 2022.

⁴ Alamo Colleges District, <https://www.alamo.edu/skills-lab/upskill/it-cloud-computing-and-cybersecurity/it-support/>.

⁵ Texas Labor Market Information, Occupational Employment & Wage Statistics (OEWS).

The TRUE program's focus on expanding short-term credential opportunities within community colleges coincides well with current efforts to reform the state's community college finance system. The Texas Commission on Community College Finance (TCCCF) established by SB 1230 (87-R) is continuing the progress of HB 3 (86-R) by producing legislative recommendations that will improve the outcomes of community college students. The TCCCF is developing workforce-aligned recommendations centered on students' workforce outcomes, helping community colleges strengthen their contributions to the development of a long-term, high-quality Texas workforce.

The data collected on short-term credentials through TRUE program, combined with the work of BTST to determine which credentials are credentials of value, can be seamlessly integrated into workforce-aligned reforms. This is an opportunity for the state to systemically increase credential completion rates of community college students using short-term credential opportunities already established, and expanding, due to the TRUE program – all while providing employers with the workers they need.

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