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June 24, 2010

Invited Testimony for Texas Senate Higher Education Committee. Topic: Include an assessment of the role of technical and vocational training programs and their impact on jobs.

Chairman Zaffirini and committee members, thank you for inviting me to speak with you today about the role of technical education and its impact on jobs. I have four topics for the committee to consider. These relate to: (1) improving the alignment of technical education with employer demand; (2) increasing efficiencies in the delivery of technical training; (3) informing the public of career opportunities, costs, and earnings potential as they relate to educational options; and (4) making targeted investments in technical training programs.

Refocusing on Competencies

In today's job market especially, it is not so important that you study but what you study. Simply having a college degree is not enough. Having the right degree, or more accurately, the right certifications and competencies, is what is most critical. Dr. Anthony Carnevale at Georgetown University said it best last week¹:

If educators don't provide people with employability all the other missions, the more grand missions that are talked about at colleges and universities, they are not going to achieve those either. If you can't make people employable, they are not going to participate fully in the life of their times in this system.

According to job site CollegeGrad.com, 70 percent of 2009 U.S. college graduates did not have a job upon graduation and 80 percent moved back home with their parents after graduation.¹¹ It doesn't do us any good to enroll students and generate graduates who don't have the skills that employers need. More importantly, it is a great disservice to students who invest their time and increasing amounts of money in higher education.

The role of technical education in particular is to align learning outcomes with competencies needed by employers. In this setting, student success is defined not simply as course completion but as meaningful job placement. The State of Texas has set targets to increase the number of college awards and this is a good thing. We must also focus on the degree to which we are generating the necessary competencies and how well these are aligned with the state's job demands—especially for high-wage occupations.

Improving Technical Education Efficiencies

The Texas Comptroller's report "TexasWorks" found that "the number of jobs requiring technical training, certifications or associate degrees is outpacing the number of people available to fill them despite the fact that many pay above-average salaries."ⁱⁱⁱ This statement remains true even in today's economy and we can expect the demand for technical competencies to dramatically increase as the economy gains momentum. Faced with reduced budgets and already strained capacity, higher education must look for efficiencies to delivery these necessary skills, knowledge and learning.

The Gates Foundation, Lumina Foundation and a growing number of education-focused groups are refocusing their efforts on the links between education and employment. At a press conference held at the National Press Club in Washington DC last week, Tom Vander Ark, Executive Director of Education at the Gates Foundation, said^{iv}

"We need to be more worried about what skills and competencies people possess, especially in an occupation driven world and how quickly they can demonstrate that they possess those skills and possess that understanding."

Duane Mathews, Vice President of Policy and Strategy at the Lumina Foundation echoed this sentiment, stating,^v

"We need to rededicate the purpose of higher education around skills, knowledge, learning."

Today there are over one million unemployed Texans. Seventy-eight percent of this population has less than an Associate's degree.^{vi} In addition, a large number of veterans are returning to Texas, many with specialized training and military certifications. In order to retrain and place these populations, we must develop new methods to quickly validate existing skills and identify what additional competencies are needed.

Then, and this is the most important challenge, we must deliver customized skills training with greater scheduling flexibility and improved efficiencies leading directly to meaningful re-entry into the job market. Our traditional higher education offerings are not well suited to this type of delivery and we will face many challenges in retooling.

Public Awareness

The more education you obtain, the higher your earnings potential. This fact is well documented and widely publicized in the media and in hearings such as this. In reality, the link between education and earnings is more complicated. The most recent study on earnings and education was published last week by Georgetown University. This groundbreaking report, entitled “Help Wanted,” found that 27% of workers with licenses and certificates earn more than employees with a Bachelor’s degree and 31% of those with Associate’s degrees earn more than their counterparts with a Bachelor’s degree.^{vii} In other words, “occupational choice is highly correlated to earnings, regardless of educational attainment levels.”

The general public is told that everyone must go to college to earn a good living, but we fail to communicate that it’s not so much that you study, but what you study that matters most in terms of earnings. For example, Texas 2008 graduates with Associate’s degrees in Science Technology and Computer and IT Support had starting salaries of \$55,242 and \$28,488 respectively. These same types of variances occur with four-year degrees. For example, 2008 graduates with Bachelor’s in Engineering and English had starting salaries of \$56,125 and \$27,152 respectively.^{viii} The earnings potential of higher education awards varies significantly based on what you study. Parents and students have a wealth of information about the performance of secondary schools, but there is very little information about the performance and potential return of postsecondary education.

Tom Vander Ark, Executive Director of Education with the Gates Foundation, said last week, “... we need to dramatically improve the quality of consumer information for students and consumers in higher education.”^{ix} It is critical that we do a better job of communicating success rates in higher education in regards to costs, placement rates, and earnings potential. Parents and students in particular need this information so they can make informed investments of their time and money in higher education.

Targeting Technical Education Investments

Finally, I would like to recognize some of the work being done in Texas to address these challenges through targeted investments in technical education. In particular, The Comptroller's Office and Texas Workforce Commission have been quick to recognize these issues and take valuable steps to improve and increase access to technical education for Texans.

In order to more closely align the skills, knowledge and learning of education in general with the competencies valued by employers, we must have an up-to-date and detailed understanding of the work activities valued by employers. The Texas Workforce Commission's Detailed Value Proposition initiative has interviewed over 3,000 Texas employers and over 6,000 subject matter experts addressing 760 Texas occupations. This information will be invaluable in aligning occupation oriented curriculum, skills validation, and new skills certifications in postsecondary and secondary alike. In addition, the Texas Workforce Commission's Skills Development Fund continues to provide valuable financial support for customized employer-driven training through the state's two-year colleges.

The Comptroller's JET Fund (Every Chance, Every Texan) has provided scholarships for students in every public two-year college in Texas specifically targeting high-demand occupational areas. One-hundred and seventy-one (171) of our Texas State Technical College students received scholarships, and these funds have supported student retention in the college's rapidly growing high growth, high demand training programs, including Telecommunications, Electromechanical Technology, Chemical Technology, Heating and Air Conditioning, Health Care, Drafting & Design, Welding, Information Technology, Automotive, Engineering, Machining, Environmental Health & Safety, Industrial Engineering, and more. Additional JET funds were used to support capacity-building in high performance computing at the system's Waco campus. In the current economy, scholarship resources like the JET fund make it possible for dislocated workers and young trainees to prepare for meaningful and lucrative career paths, which is not only helpful to individual Texans but vital to the state's economic health.

The State Energy Conservation Office has emerged as one of TSTC's most valued partners in workforce and economic development investment. Of particular note is SECO's flexible and well-informed project management style. SECO officials keep the college's priorities and needs before them in a number of ways, making partnership with their agency efficient and very productive. In response to changing needs and demands, the agency provides rapid response to proposal submissions and evolving proposal formats that capture relevant information succinctly. This makes proposal feedback and project management much easier on

the college. In addition, the availability of SECO project managers to attend meetings, troubleshoot challenges and assist in general strengthens their agency's impact on our college.

If we are to achieve these greater efficiencies and training needs, it is important that we continue to champion and expand these efforts.

In closing, we are faced with a significant number of unemployed and underemployed Texans looking for work, returning veterans who will need civilian jobs, in addition to our traditional incoming secondary students. The current environment of budget shortfalls is forcing tough choices for everyone and we in higher education will have to diversify revenue sources while overcoming significant capacity issues. We will have to develop more efficient methods of delivering skills, knowledge and learning to address these populations so they have access to the increased earnings that education affords. These are the realities. Technical education will be a key provider of the skills, knowledge, and learning necessary for student success beyond graduation progressing into meaningful careers for a prosperous future.

Thank You,

Michael A. Bettersworth

“If you don't know what you are going to do in life, stay in school. If you want to be smart about it, figure out what you are doing and how [education] is going to attach to a job ladder on to the extent you care about that.” Dr. Anthony Carnevale

ⁱ Carnevale, Anthony. Center on Education and Workforce. Georgetown University. Press conference. National Press Club. Washington, DC. 15 June 2010.

ⁱⁱ CollegeGrad.com. College graduates moving back home in larger number. 22 July 2009.

ⁱⁱⁱ Texas Comptroller of Public Accounts. *Texas Works: Training and Education for all Texans*, December 2008.

^{iv} Vander Ark, Tom. Gates Foundation. Press Conference. National Press Club. Washington, DC. 15 June 2010.

^v Mathews, Duane. Lumina Foundation. Press Conference. National Press Club. Washington, DC. 15 June 2010.

^{vi} Texas Workforce Commission

^{vii} Carnevale, A., Smith, N., Strohl, J. Help Wanted, projections of jobs and education requirements through 2018. Center on Education and Workforce, Georgetown University. June 2010.

^{viii} Texas Higher Education Coordinating Board Employer Follow-Up Data.

^{ix} Vander Ark, Tom. Gates Foundation. Press Conference. National Press Club. Washington, DC. 15 June 2010.