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Business groups call for Texas to step up support for community colleges

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Texas needs to step up its support for community colleges and technical schools to build a pool of skilled workers and maintain a competitive workforce, according to a new report from statewide and local business development groups.

The report, released Thursday, focused on a shortfall of workers able to fill so-called middle-skill jobs, which require some post-secondary education, but not a four-year college degree. About 54 percent of the state's jobs are considered middle-skill, but only 45 percent of Texas workers are trained for such jobs, from medical technicians to paralegals to aircraft mechanics to electricians.

The report called on the state to spend more to shore up a creaky community college and technical school system that can provide this training. Over the past 40 years, the state's share of funding for community colleges — just \$2.2 billion in this biennium — plunged to 26 percent from 68 percent, putting more of a burden on students, many of whom say rising tuition has forced them to drop out, according to the report.

In addition, the report found, inequities persist in access to community colleges for historically underserved populations, including rural Texans and older students, while collaboration among the state's 50 community college districts is limited by a lack of state leadership.

“Texas’ community college finance system does not adequately focus on and drive outcomes, which are critical to ensuring that our state can sustain our current and future workforce, economy, and quality of life,” the report said.

Community colleges and technical schools have a critical role to play in closing the resulting “skills gap,” the report said. It recommended that state provide more direct support to community colleges — in the form of grants, for example — as well as enlisting the Texas Higher Education Coordinating Board to facilitate coordination between community college districts.

“Investment in our community college network is critical to our future economic success, equipping the next generation of Texans with the skills needed to compete in a rapidly evolving business environment,” said Bob Harvey, CEO of the Greater Houston Partnership, a business-financed economic development group.

In addition to the Greater Houston Partnership, other groups signing the report, which was submitted to the Texas Commission on Community College Finance, included the Texas Association of Business, the Texas Hispanic Policy Foundation, and Texas 2036, a nonpartisan nonprofit focused on the state's future infrastructure, health care and workforce.

The report comes as labor shortages across industries have left employers scrambling to fill jobs and hold onto workers — and putting extra emphasis on the availability of workers in decisions over where to do business. In May, Texas had nearly 1 million job openings, far more than the roughly 600,000 unemployed workers, according to the Labor Department. The state unemployment rate was 4.2 percent.

CNBC added extra weight to the workforce category in its annual “Top States for Business” rankings, released last week — which ranked Texas fifth in the nation. Texas earned an “A+” in this category, with a healthy labor-force participation rate and domestic migration bringing plenty of workers to the state—even as partisan politics propelled the state to an “F” rating in the quality-of-life category.

State officials have long seen a need to bolster Texas’s skilled workforce. A strategic plan for higher education released last year sets a goal of 60 percent Texans of ages 25-64 holding postsecondary credentials—a degree or certificate—by 2030, up from 48 percent today.

Texas ranks 38th among states in educational attainment of adults aged 25-34.

“Even with the significant progress we’ve achieved in postsecondary access, completion, and innovation, and despite having one of the longest sustained economic expansions in American history,” the report said. “Texas is facing a pronounced decline in workforce competitiveness due — in large part — to a lack of postsecondary attainment among working aged adults.”

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