



February 27, 2025

**To: House Appropriations Article III Subcommittee**

**Re: Public Testimony ON HB 1, Funding for Junior Colleges & Community Colleges**

Chairman Kitzman, Vice Chair Martinez and Members of the Subcommittee,

My name is Kelle Kieschnick, and I am the Vice President of Policy at the Texas Business Leadership Council testifying in support of funding for community colleges. We are a non-partisan network of business leaders advancing policies to support a globally competitive Texas.

We currently have a skills gap due to low postsecondary attainment that is putting a strain on our workforce. Less than 25% of students earn a postsecondary credential by the age of 24 yet it is estimated that over 60% of Texas jobs will require a credential beyond high school by 2031.<sup>1</sup> That's not good enough to support our Texas economy and it is leading employers here to hire skilled workers from out of state.

We need an "all of the above" approach to increasing postsecondary attainment including workforce credentials as well as advanced degrees and we thank you for the major investment in Texas community colleges provided by House Bill 8 in the 88<sup>th</sup> Legislative Session that is helping to address this.

The outcomes funding model created by HB 8 (88R) focuses on credentials of value with an emphasis on high demand fields, transfers to 4-year public institutions and dual credit completion. An important aspect of this was new funding for short-term workforce credentials and this furthers the expansion of career training opportunities that the Governor has identified as an emergency item this session.

We respectfully ask the Subcommittee to support fully funding community colleges this session including the FY 25 supplemental request and to consider expanding this funding to include transfers to private 4-year colleges and universities in Texas in order to reward

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<sup>1</sup> Texas Talent Trajectory (T3). 8<sup>th</sup> Grade Cohort Data: 2013 (2024). [The Texas Talent Trajectory \(T3\)](#); Carnevale, A.P et al. (2023). After Everything: Projections of Jobs, Education, and Training Requirements through 2031. Georgetown Center on Education and the Workforce. [After Everything Projections 2031 National Report](#).

community colleges for helping students to successfully transfer whether it is to a public or private institution.

To put it simply, we support continued funding of the outcomes formula created by HB 8 (88R) because it's working. Dual credit participation has increased by 22% across the state as a result of the FAST program which, based on historical trends, will lead to an increase in students completing postsecondary programs.

We have also seen firsthand the impact of HB 8 (88R) through the Workforce Partnership Initiative, a national program that Texas Business Leadership Council supports along with Texas Association of Community Colleges, the Business Roundtable, and Business-Higher Education Forum. This initiative focuses on developing credentials of value aligned with business needs, expanding work-based learning opportunities, and accelerating access to competitive, ready-to-work learners with in-demand skills.

Through the Texas Workforce Partnership Initiative, we have witnessed colleges' positive response to the outcomes incentives that HB 8 (88R) provided by deepening their partnerships with the business community, making internal process improvements to bolster these collaborations, and creating or updating credentials based on industry input so that students attain the skills needed for success in today's workforce.

It is because of the additional funding HB 8 (88R) provided last session that colleges are able to commit to new strategies and process improvements and expand student success programs. It is critical that we continue this momentum, and we thank the Subcommittee for the state's investment in our community colleges. It will pay dividends in the future in terms of the continued economic success of our state by helping alleviate the skilled labor force shortage we are facing and empowering more Texans to achieve career success and prosperity for their families.

Thank you for the opportunity to speak today.

Respectfully,

Kelle Kieschnick

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