

EDUCATION NEWS & NOTES

A Unique Approach To Funding Education

(NAPS)—Here's a clever secondary education idea you may be glad you learned: When graduates walk across the stage at a Texas State Technical College (TSTC) graduation ceremony, they do more than get an associate degree or certificate of completion. They get money for their school. Once they start working, the college gets paid by the Texas Legislature.

TSTC was the first higher education institution in the United States, and the only one in Texas, to adapt to using a returned-value funding model. This model calculates the economic value stemming from five years' worth of graduate wages. This value is multiplied by a funding rate equaling the amount of state funding in the state's two-year budget cycle.

It all comes down to accountability and earned results.

"It is a sea change from what normal funding formulas are," said Joe Arnold, TSTC's deputy vice chancellor for Government Relations.

How It Works

The funding formula concept was created in 2011 during the 82nd Texas Legislature, which recommended that the Texas Higher Education Coordinating Board work with TSTC to recognize graduates' job placements and earnings. This is quite different from the traditional funding method using student enrollment.

The formula set a five-year period for graduates' unemployment insurance wage records to be tracked by the Texas Workforce Commission and used to calculate funding. Graduates working out of state are not counted in the formula.

"The funding formula aligns the college's outcomes with the needs of the constituents it serves," said Jonathan Hoekstra, TSTC's executive vice chancellor and chief operating officer. "To maximize its funding opportunities, the college must mobilize the entire campus community to shape student experiences that maximize their future employability. This includes focusing programs on those that are in the highest demand amongst the employers of Texas."

As TSTC Chancellor and CEO Mike Reeser told the National Summit for Higher Education, some of the benefits of this funding model include the state only paying when results are achieved and the college's operational efficiency becoming even more critical to sustain.

The funding plan starts off in the base budgets of the state House of Representatives and Senate and during the legislative session and eventually it ends up in the final budget signed by the governor.



Students who want to learn technical skills can help themselves and their school find funding.

TSTC uses program-vitality scorecards to monitor program success. Technical programs that have not met graduate placement and salary standards have been phased out. The college also uses internal scorecards to monitor year-to-year progress.

All of the college's technical programs have advisory boards made up of industry representatives who give guidance on curricula using what employers need from workers and how work is being done in the field. TSTC strives to offer the latest technology for students to use to become job-ready upon graduation.

Meeting The State's Needs

Consider this: The importance of plumbers was felt in winter 2021 as a major winter freeze affected all corners of Texas. As pipes froze and burst at apartments, homes and businesses, plumbers were in high demand for weeks after the winter weather to make costly repairs.

So TSTC and the Texas State Board of Plumbing Examiners (TSBPE) opened testing facilities for prospective plumbers. They can accommodate written and practical exams.

"These new testing centers will double and eventually triple TSBPE's ability to test applicants wishing to obtain a plumbing license," Frank S. Denton, TSBPE board chair. "This could not have been done without the cooperation and assistance of TSTC."

Money-Back Guarantee

Students in select programs in Diesel Equipment Technology, Electrical Lineworker and Management Technology, Electrical Power and Controls, Industrial Systems, Instrumentation Technology, Precision Machining Technology, Process Operations Technology, Robotics and Industrial Controls Technology, and Welding Technology who do not get jobs in their chosen field within six months of graduation are eligible for a refund of the tuition paid out of pocket. Lending agencies who handle student loans will be reimbursed.

Learn More

For further information, go to tstc.edu.