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Testimony on HB 3828 Submitted by Bill Segura, Ph.D., Chancellor April 16, 2007 3801 CAMPUS DRIVE WACO, TEXAS 76705 254-799-3611 FAX: 254-867-3934 800-792-8784 www.tstc.edu

Texas State Technical College System is the only state-supported technical college system in Texas. We have a statewide role and mission to improve the competitiveness of Texas business and industry through leading-edge technical instruction. Critical to our mission is accountability. We must deliver on our promise to provide Texas employers highly skilled and qualified individuals. HB 3828 provides a mechanism to reward higher education institutions who deliver on this promise. Higher education will be more apt to deliver instruction that advances student success with the implementation of a system that benchmarks, monitors and reports results.

Business constituents who have learned from their experience tell us, "What gets measured gets done." Currently, it is difficult for TSTC to obtain quantifiable data from employers about our graduates' job readiness. Feedback from employers is positive, but anecdotal. This anecdotal feedback, while "feel-good," does not provide a sound basis for measuring our success in training students and in making strategic improvements to our learning delivery systems.

The current funding system, based solely on contact hours, rewards institutions for productivity and is crucial for maintaining current programs and services. The important piece missing from the current funding structure is additional funding based on quantifiable outcomes.

Incentive funding encourages institutions to graduate students who are job-ready before entering the workforce. For institutions whose graduates perform well, the additional incentive funds will allow timely improvements in programs most critically necessary for serving the needs of Texas. Institutions whose graduates do not perform well will have data, information and financial incentives to identify problems and implement solutions.

The faculty, staff and administration of TSTC are committed to our students and their success in critical program fields. I have no fear in embracing incentive funding strategies since incentive funding helps ensure that what we do at TSTC will not only be done, but will be done well.