Quick Facts about TSTC

Legislatively-Mandated Mission: Economic Development through Workforce Education

- The 2-year technical college system
- SACS-COC Accredited
- Student Headcount about 12,000
- 120 Technical Credentials
- Nation’s top producer of Engineering related AAS
- Funded Solely by Student Employment Outcomes (the “returned-value” funding method)
- Home of the Money-Back Guarantee

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Old & New Formula Funding Summary

Previously Used Contact Hour Method

• \[ \text{Number of Contact hours} \times \text{Funding Rate} = \text{State Funding} \]
• A “headcount” system of cost reimbursement

Today’s TSTC Returned-Value Method

• \[ \text{Student Job Earnings*} \times \text{Funding Rate} = \text{State Funding} \]

*Student Job Earnings = Aggregate of actual student salaries for five years that exceed Minimum Wage

• Solely based on job placements and the size of the student salaries

• Often likened to being “paid on commission” for student employment success
The Advantages of Returned-Value Method

- Texas pays only for proven student employment success
- Texas pays after the results are achieved
- The method is self-funding
- The best-interests of the students become the best-interests of the college and the State
- The method rewards a job-relevant program mix
- The method demands operational efficiency & efficacy
- The agency performance risk is transferred to TSTC
TSTC is Growing the Right Results

Increase over Time of Total Wages Produced by TSTC Graduates in their 1st Year after Graduation

Graduates
Increased 42 Percent

Salaries
Increased 83 Percent

Data Source: THECB: Gainful Employment. TWC UI Wage Records Data Parameters: Years 2009-2015, Full Year Data only

Graph created by: Business Analytics & Reporting Author: Isabel wooden Data Updated: 2/4/2018 2:14:25 PM Report Restrictions: None - Approved for Public Distribution
TSTC Uses Scorecards to Monitor Program Success

TSTC Program Vitality Summary

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TSTC Uses Scorecards to Monitor Year-to-Year Progress
The TSTC Approach to Growing Outcomes

- Design programs with targeted jobs in mind
- Teach skills the employer seeks—no more, no less
- Target the greatest Texas workforce needs first
- Measure the ROI on every program
- Strategically invest in programs based on performance
- Phase out low-performing programs
- Empower faculty to be line-of-business managers
- Help students see the connection between school & work