

# Joint Budget Hearing Regarding Legislative Appropriations Requests for FYs 2022-2023

Testimony by **Jacob Fraire**, President and CEO, TACC  
On behalf of TACC, CCATT, and TCCTA



## TEXAS COMMUNITY COLLEGES SERVE THE STATE AT SCALE



# 47%

Community colleges are the **LARGEST** sector of higher education in Texas.

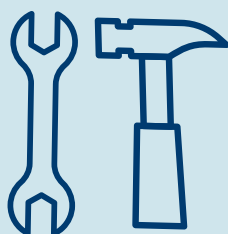
Institution Type	Fall 2019 Enrollment	% Of Enrollment
<b>COMMUNITY COLLEGES</b>	<b>748,478</b>	<b>47.3%</b>
Texas State Technical College	11,694	0.7%
Lamar State Colleges	9,116	0.6%
Public Universities	657,985	41.6%
Public Medial Institutions	26,169	1.7%
Private Institutions	129,484	8.2%

# 70%

Of All Freshmen & Sophomores in Higher Education

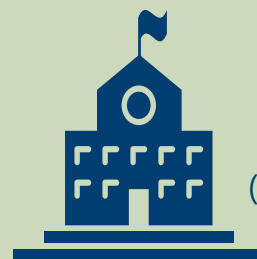


# 92%



Of All Career & Technical Education Enrollments & Certificates

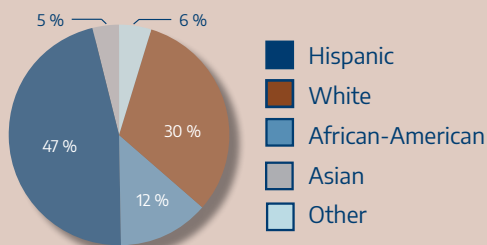
# 93%



Of All Dual Credit Enrollments (187,846 students)

## Community Colleges Reach a **DIVERSE** and **UNDER-SERVED** Population

Enrollments Reflect the **DIVERSITY** of Texas



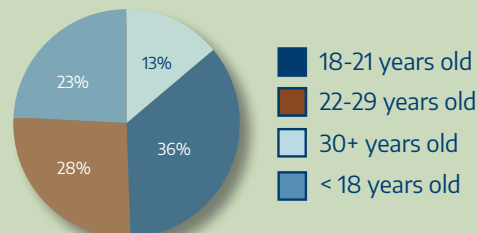
# 44%

Of Credentials Awarded to **ECONOMICALLY DISADVANTAGED** Students

# 72%

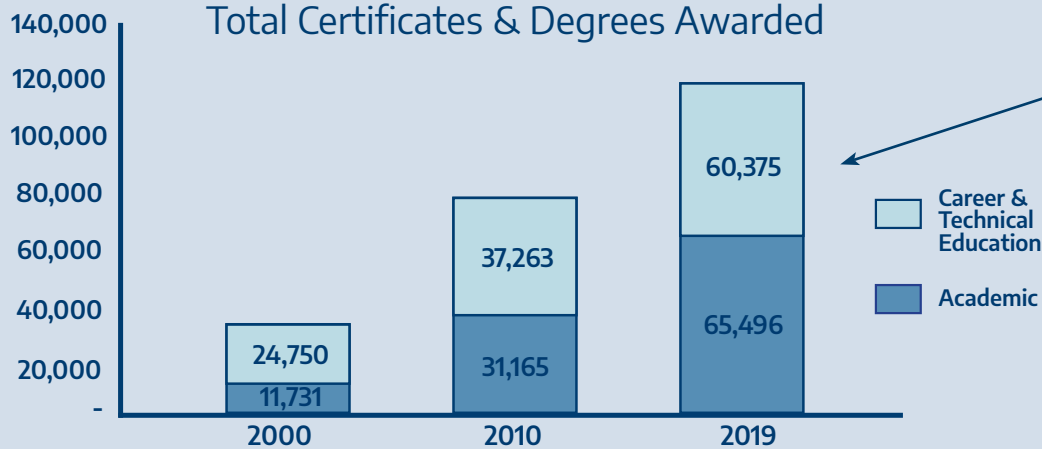
Of **ALL MINORITY** Freshmen & Sophomores in Higher Education

Community Colleges Serve Students of **ALL AGES**



# Community colleges meet the needs of a **GROWING** Texas

Total Certificates & Degrees Awarded



Degrees and certificates earned **increased by 84% from 2010 to 2019** despite mostly flat enrollment

- 62% growth in CTE
- 110% growth in Academic

Texas Community Colleges Provide a **PATHWAY** to University

**71%**

Of All FY2019 Bachelor Degree graduates had **some transfer credits** from a two-year college

**34%**

Of All FY2019 Bachelor Degree graduates had **more than 30** transfer credit hours from a two-year college

## **ACCESS** to Higher Education Is Our Mission

### Texas Ranks 4th in **AFFORDABILITY**

Average Tuition & Fees  
Public, two-year, 30 SCH

Rank	State	\$\$\$
1	California	\$1,268
2	New Mexico	\$1,666
3	Arizona	\$2,152
4	<b>TEXAS</b>	<b>\$2,209</b>
**National Avg.		\$3,243

### Graduates Finish with **LESS DEBT**

Average Graduate Debt

Institution	% with debt	Average debt
<b>COMMUNITY COLLEGES</b>	<b>31%</b>	<b>\$15,422</b>
Public University	59%	\$25,635

### Texas Remains **ACCESSIBLE**

Debt as % of First-Year Wages for Graduates

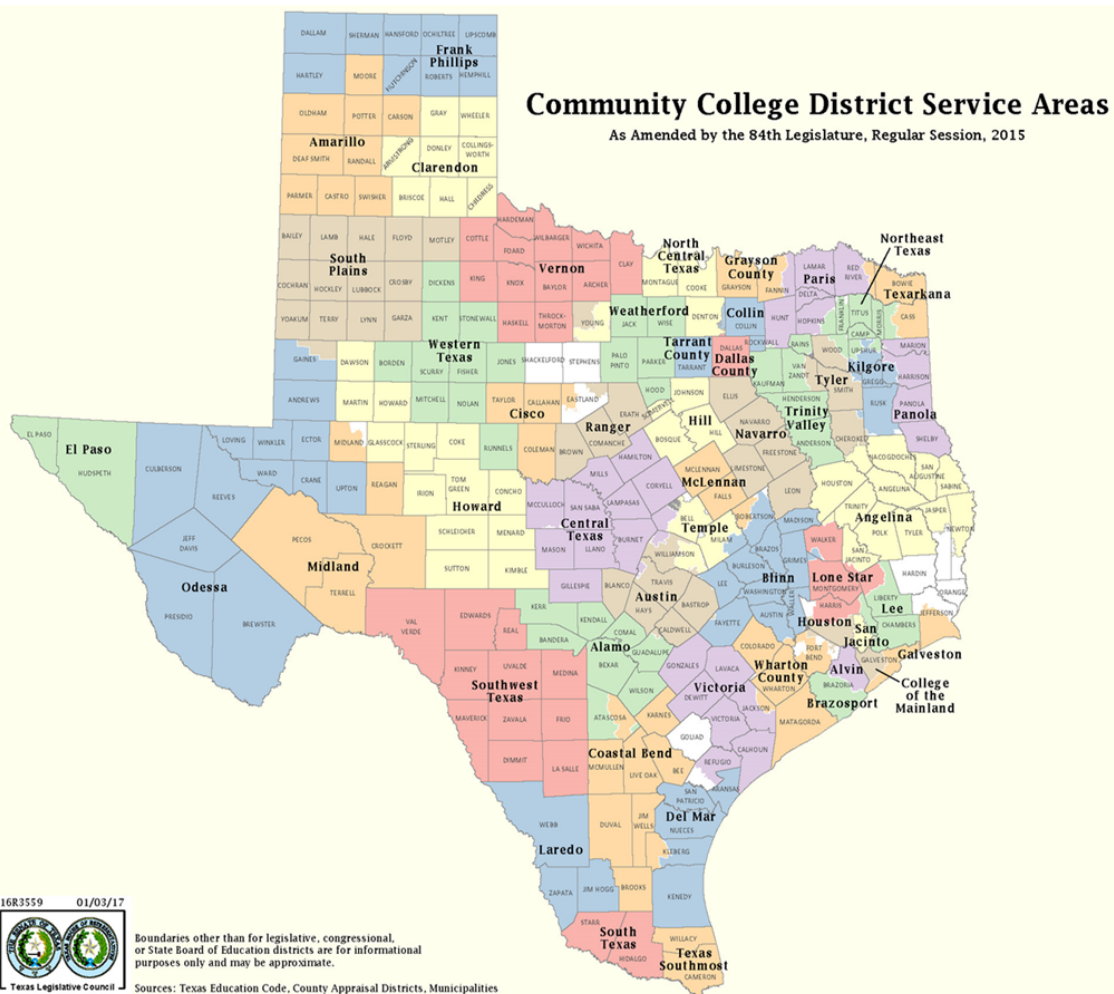
Institution	Percent
<b>COMMUNITY COLLEGES</b>	<b>38%</b>
Public University	61%

INFOGRAPHIC DATA SOURCE: Texas Higher Education Coordinating Board Almanac 2020

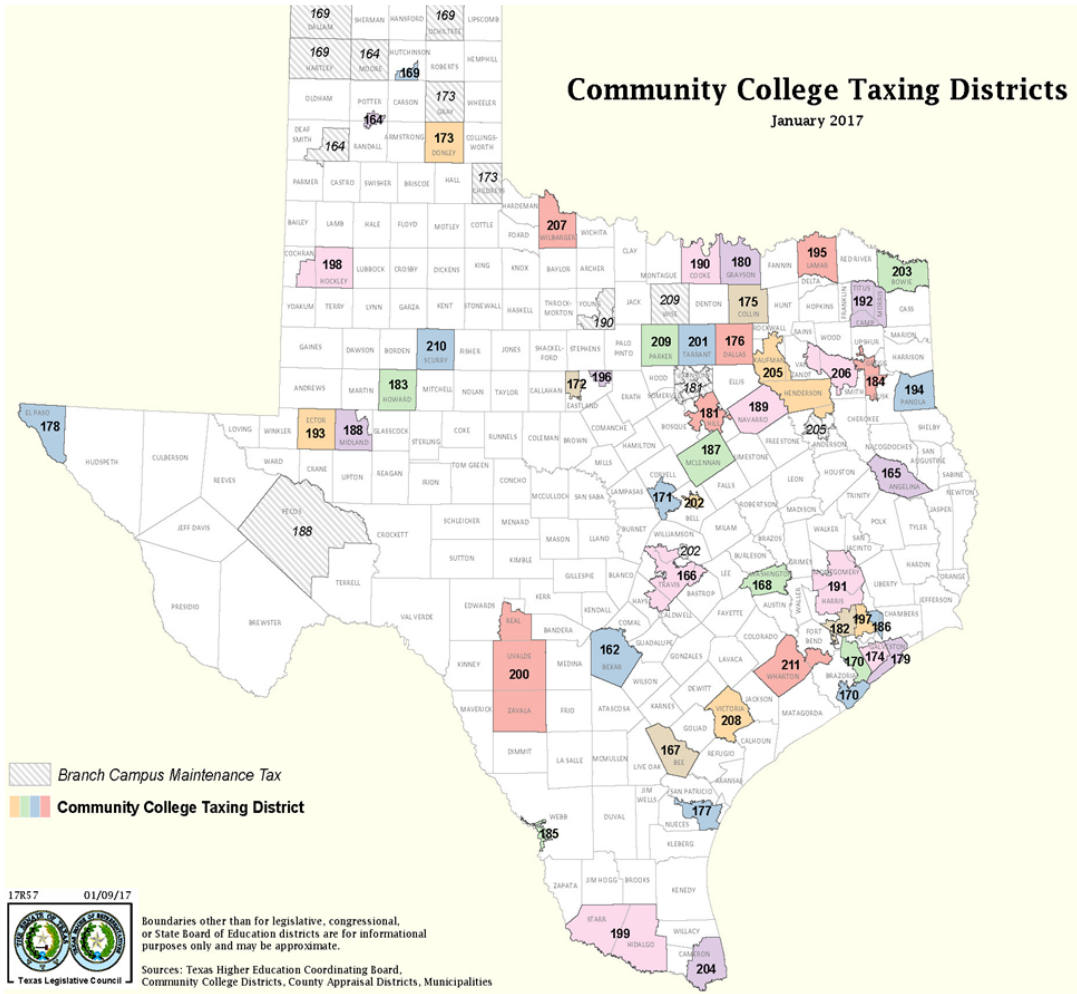
For more information visit our website and follow us on Twitter

**tacc.org** **@TACC\_NEWS**

# Community College Service Areas & Taxing Districts



- Community College Districts\***
- 162 - Alamo Colleges
  - 163 - Alvin Community College
  - 164 - Amarillo College
  - 165 - Angelina College
  - 166 - Austin Community College District
  - 167 - Coastal Bend College
  - 168 - Blinn College
  - 169 - Frank Phillips College
  - 170 - Brazosport College
  - 171 - Central Texas College
  - 172 - Cisco College
  - 173 - Clarendon College
  - 174 - College of the Mainland
  - 175 - Collin College
  - 176 - Dallas County Community College District
  - 177 - Del Mar College
  - 178 - El Paso Community College
  - 179 - Galveston College
  - 180 - Grayson College
  - 181 - Hill College
  - 182 - Houston Community College
  - 183 - Howard College
  - 184 - Kilgore College
  - 185 - Laredo Community College
  - 186 - Lee College
  - 187 - McLennan Community College
  - 188 - Midland College
  - 189 - Navarro College
  - 190 - North Central Texas College
  - 191 - Lone Star College System
  - 192 - Northeast Texas Community College
  - 193 - Odessa College
  - 194 - Panola College
  - 195 - Paris Junior College
  - 196 - Ranger College
  - 197 - San Jacinto College
  - 198 - South Plains College
  - 199 - South Texas College
  - 200 - Southwest Texas Junior College
  - 201 - Tarrant County College
  - 202 - Temple College
  - 203 - Texarkana College
  - 204 - Texas Southmost College
  - 205 - Trinity Valley Community College
  - 206 - Tyler Junior College
  - 207 - Vernon College
  - 208 - Victoria College
  - 209 - Weatherford College
  - 210 - Western Texas College
  - 211 - Wharton County Junior College



# State Leadership Exempts Community Colleges from Budget Reductions for FYs 2020-2021



STATE OF TEXAS

May 20, 2020

To: State Agency Board/Commission Chairs  
State Agency Heads/Executive Directors  
Appellate Court Justices and Judges  
Chancellors, Presidents, and Directors of Institutions and Agencies of Higher Education

Please accept our sincere thanks for the incredible work provided by your agencies and institutions and the dedication you have shown to help the state through this troubling time. Each agency has taken on the challenge and worked tirelessly to ensure that essential services are provided to Texans in need. Know that we are committed to prioritizing the public health of our state.

As you have no doubt seen, there is significant economic uncertainty not only in this state but across the country and around the world. We are confident that Texas will get back to work and continue leading the nation in job growth, economic innovation, and business creation. However, it will take months until we know the true extent of the economic ramifications of COVID-19, and how combating this virus will impact state finances. To prepare for this economic shock, we must take action today to ensure that the state can continue providing the essential government services that Texans expect.

To achieve that goal, every state agency and institution of higher education must engage in prudent fiscal management efforts. Savings achieved in the current biennium are not only necessary to offset current year revenue losses, the savings will provide for the smoothest path toward recovery as you provide necessary services to Texans. Some cost saving strategies that agencies should pursue that will not affect the state's response to COVID-19 include foregoing any capital expenditures that can be deferred, any avoidable travel expenditures, any administrative expenses that are not mission critical, and keeping unfilled any open positions that are not essential to the COVID-19 response. These savings should be lapsed to the Treasury.

Additionally, we request each state agency and institution of higher education submit a plan identifying savings that will reduce your general and general revenue related appropriations by five percent for the 2020-2021 biennium. Please submit this plan to the Legislative Budget Board and the Office of the Governor by June 15, 2020.

Given the importance of the state's response to COVID-19 and the continuity of critical government functions, the following are excluded from the five percent reduction:

- Appropriations to the Texas Division of Emergency Management, the Texas Department of State Health Services, the Texas Workforce Commission, the Texas Military Department, and the Texas Department of Public Safety;

May 20, 2020

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- Funding for debt service requirements and bond authorizations;
- Current law requirements for the Foundation School Program and school safety;
- Funding for Child Protective Services;
- Benefits and eligibility levels in Medicaid programs, the Children's Health Insurance Program, the foster care program, the adoption subsidies program, the permanency care assistance program, and services for individuals with intellectual or developmental disabilities;
- Funding for behavioral health service programs;
- Appropriations for Correctional Security Operations and Correctional Managed Health Care at the Texas Department of Criminal Justice;
- Appropriations to Health Related Institutions and Community Colleges; and
- Employer Contributions to the Teacher Retirement System and Employees Retirement System funds and to Social Security.

In the coming weeks, the Legislative Budget Board and the Office of the Governor will issue instructions for the Legislative Appropriations Request that each state agency and institution of higher education will submit for the 2022-2023 biennium. While the exact final instructions are still being determined, every state agency and institution should prepare to submit reduced budget requests as well as strategies to achieve further savings. Furthermore, when the state revenue picture becomes clearer in the coming months, it may become necessary to make additional budget adjustments.

Though state leaders will make difficult decisions in the future, please know that we will not impede your agency's response to the coronavirus threat or take actions that will harm the public health of this state. As Texans recover from this pandemic, it is incumbent that state government continues to maintain mission critical services without placing a greater burden on taxpayers. Your assistance in achieving these goals is imperative.

Our offices stand ready to assist you with any questions you have or any clarifications that may be necessary. Thanks again for your service to the state and her people. We will get through this time by helping our fellow neighbors and relying on them in turn.

Sincerely,

Handwritten signature of Greg Abbott in black ink.

Greg Abbott  
Governor

Handwritten signature of Dan Patrick in black ink.

Dan Patrick  
Lieutenant Governor

Handwritten signature of Dennis Bonnen in black ink.

Dennis Bonnen  
Speaker of the House

“Given the **importance** of the state's response to COVID-19 and the continuity of critical government functions, the following are **excluded** from the five percent reduction:”

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# Texas Association of Community Colleges 87th Legislative Session Policy Priorities

## 1 INVESTING IN COMMUNITY COLLEGES (Formula Funding)

The Association adopted formula funding recommendations informed by the findings of the Community and Technical College Formula Advisory Committee (CTCFAC). However, the CTCFAC concluded its work prior to the onset of the COVID-19 pandemic when expectations for the 87th Legislature were optimistic. Considering current circumstances, TACC recommends **an increase in appropriation** for core operations to support stabilization of college operations in the wake of the COVID-19 pandemic.

### Recommendations

1. Propose overall funding for FYs 2022-2023 to equal the FYs 2020-2021 funding level, or **\$1,833.2M** and give priority to the rate of **\$215 per Student Success Point** and an increase in Core Operations to support college stabilization, providing for **\$2M per college**. Remaining funds would be allocated through the contact hour formula.

2. Propose exceptional funding of **\$50M**, requested as **\$1M** non-formula support items at each of the 50 college districts, to support a new state workforce Initiative.

### Summary of Recommendations

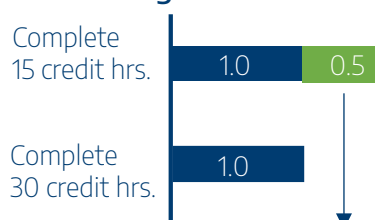
	2020-2021 Appropriations (millions)	2022-23 Legislative Appropriation Request (millions)	Amount Change (millions)	Percent Change
Core Operations	\$68.0	<b>\$100</b>	\$32	47.1%
Success Points	\$228.3	<b>\$282.8</b>	\$54.5	23.9%
Contact Hours	\$1,533.7	<b>\$1,447.2</b>	(\$-86.5)	(-5.6%)
Bachelor of Applied Technology	\$3.2	<b>\$3.2</b>	\$0	
NEW: Workforce Initiative	\$0	<b>\$50</b>	\$50	
TOTAL	\$1,833.2	<b>Formula - \$1,833.2 Total - \$1,833.2</b>		

### Performance-Based Funding (Student Success Points)

The Association approved the Student Success Point improvements as proposed by the CTCFAC and TACC Metrics Task Force. Revisions to the metrics include updating the critical fields component and weighting certain points to better acknowledge the additional resources needed to support economically and academically at-risk students.

[View Full Taskforce Report Here](#)

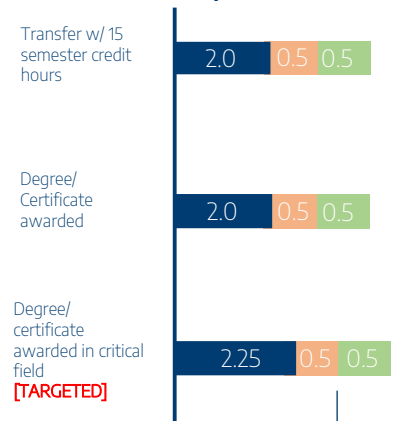
#### Progression



Additional weight for students whose first completed 15 semester credit hours come from dual credit.

Additional weight for academically disadvantaged students and economically disadvantaged students upon credential completion or university transfer

#### Credentials/Transfer



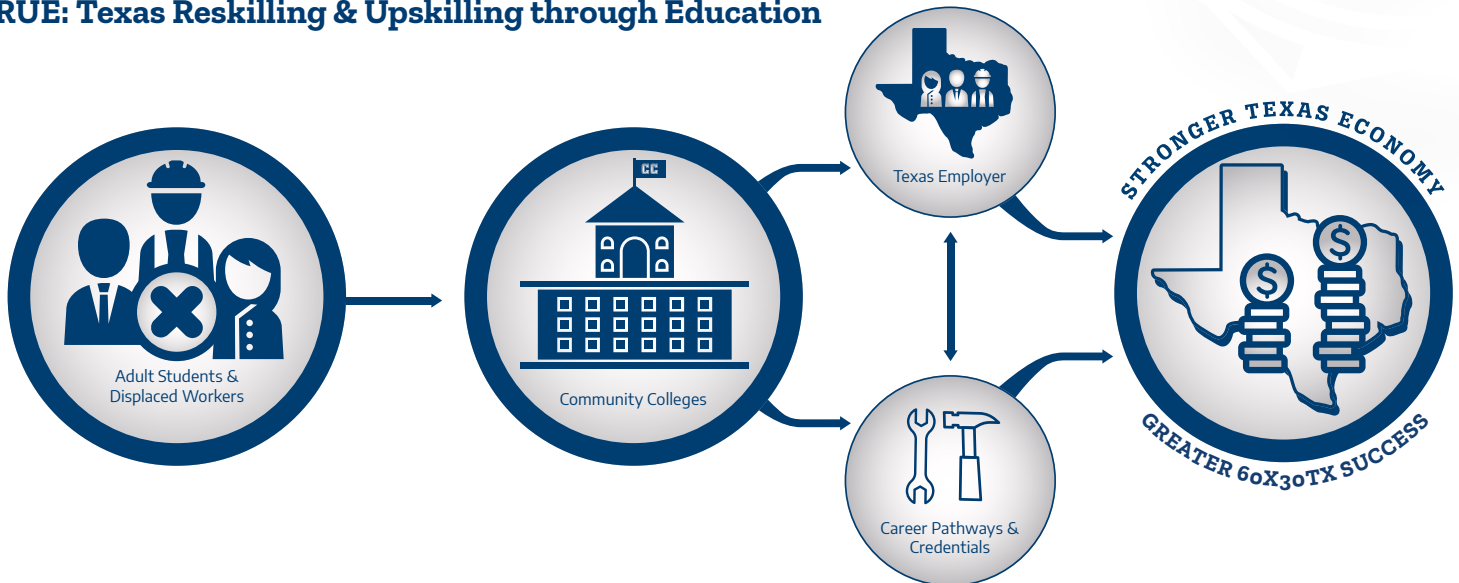
# 2 WORKFORCE & ECONOMIC RECOVERY POLICY

The Association recommends supporting the Texas Reskilling & Upskilling through Education (TRUE) initiative, and specifically seeking statutory authority to create a state fund to support the program. To achieve the dual goals of workforce and economic recovery, TRUE recommends the following:

## Recommendations

- Design sustainable talent pipelines to fill critical regional workforce needs and provide ongoing support to Texas businesses and the state's economic recovery.
- Expand employer-informed micro-credentials and short-term certificates that will enable displaced and underemployed workers to lead fulfilling and economically self-sufficient lives by getting them work-ready in as little as a few weeks to six months.
- Identify high-demand, short-term credentials to be recognized as a part of the 60X30TX Plan for Higher Education.

### TRUE: Texas Reskilling & Upskilling through Education



### Small Business Development Centers

The Association recommends transitioning Small Business Development Centers (SBDCs) within the General Appropriations Act from Article III (Education) to Article VII (Business and Economic Development), specifically within the Texas Workforce Commission's (TWC) appropriation. Currently, SBDCs are funded as non-formula support items at select institutions of higher education. **Under the recommendation, administration of the SBDCs would remain at the current institutions of higher education with funding flowing through the TWC.**

The national Small Business Development Center program was legislated via the Small Business Act of 1976 as a program of the U.S. Small Business Administration. SBDCs provide small business owners and aspiring entrepreneurs with no-cost professional business advising and at-cost training on topics such as developing a business plan, accessing capital, finding new customers, compliance with regulations, exporting, cybersecurity, technology commercialization, and more. Combined, they manage the 50+ field Centers in urban and rural Texas. SBDCs provide hands-on guidance, which leads to greater prosperity via job creation, increased capital access and other small business growth.

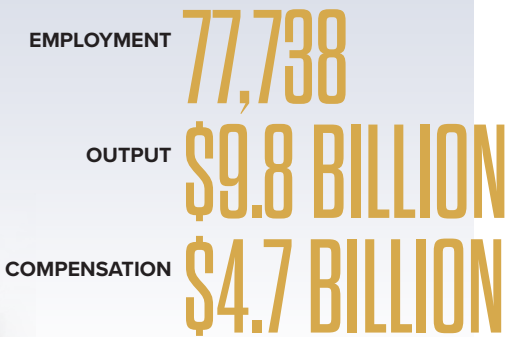


# TEXAS COMMUNITY COLLEGES

Public community colleges train our workforce and prepare students for further academic study. The state's 50 community college districts also play an important role in meeting the specific educational and vocational needs of the local areas they serve.



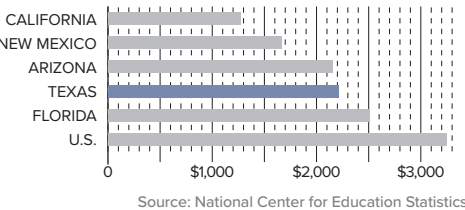
## STATEWIDE IMPACT OF COMMUNITY COLLEGES' SPENDING, FISCAL 2019



Note: Figures include direct, indirect and induced economic impacts.  
Sources: JobsEQ, Texas Comptroller of Public Accounts, Texas Higher Education Coordinating Board and Texas community colleges.

## AFFORDABILITY

### AVERAGE ANNUAL TUITION & FEES: MOST AFFORDABLE PUBLIC TWO-YEAR INSTITUTIONS BY STATE, 2017-18 SCHOOL YEAR



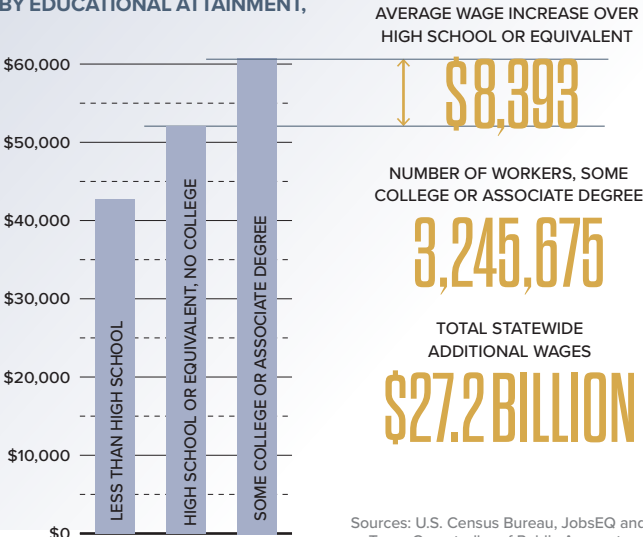
Community colleges are much more affordable than other higher education options, particularly in Texas. In the 2017-18 school year, Texas' community colleges had the nation's fourth-lowest tuition and fees, behind only California, New Mexico and Arizona. Texas community colleges average \$2,209 per year versus a U.S. average of \$3,243.

## WAGES BY EDUCATIONAL ATTAINMENT

### AVERAGE ANNUAL EARNINGS BY EDUCATIONAL ATTAINMENT, TEXAS, FISCAL 2019

Community colleges provide their students with a good return on investment. In 2019, workers in Texas with some college or associate degrees, with stable jobs, earned an average \$8,393 more annually than high school graduates.

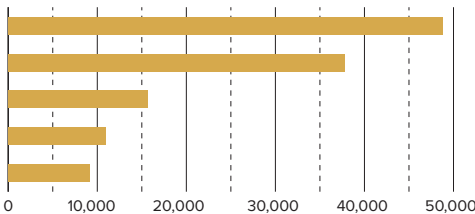
Sources: U.S. Census Bureau, JobsEQ



## CERTIFICATES AND DEGREES

LIBERAL ARTS AND SCIENCES, GENERAL STUDIES AND HUMANITIES  
HEALTH PROFESSIONS AND RELATED CLINICAL SCIENCES  
BUSINESS, MANAGEMENT, MARKETING AND RELATED SUPPORT SERVICES  
PERSONAL AND CULINARY SERVICES  
MECHANIC AND REPAIR TECHNOLOGIES/TECHNICIANS

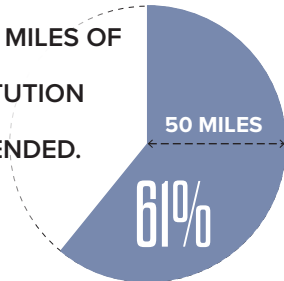
### TOP CERTIFICATES AND DEGREES IN TEXAS COMMUNITY COLLEGES, 2017-18 SCHOOL YEAR



## SUMMARY

Texas' 50 community college districts contribute nearly \$10 billion to the state's economy and support nearly 78,000 jobs. They also provide Texas students with a low-cost option to build skills or prepare for further education, leading to better jobs and adding more than \$27 billion to total statewide income.

61 PERCENT OF  
COMMUNITY COLLEGE  
GRADUATES STAY  
WITHIN 50 MILES OF  
THE INSTITUTION  
THEY ATTENDED.



Sources: Emsi and Wall Street Journal

TO SEE INFORMATION ON COMMUNITY COLLEGES AND THE TEXAS ECONOMY: <https://comptroller.texas.gov/economy/economic-data/colleges/>

# An **investment** in community colleges...

## UNEMPLOYMENT CLAIMS

As of 10/24/2020,

**3.7 million**

Texans have filed for unemployment relief since mid-March.

## UNEMPLOYMENT RATE

Texas' unemployment rate was

**8.3%**

in September, up from 3.5% in September 2019.

## RECOVERY

Research after the Great Recession found that a large majority of new jobs created in the recovery went to individuals with

**post-secondary credentials**

is an investment for **economic recovery.**