



APRIL 6TH, 2022

COLLEGE OPERATIONS

Milestone 1: Establishing Context

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Charge of the College Operations Workgroup

Understand trends and patterns in community college enrollment and forward-looking considerations based on regional, economic and demographic variations

Explore the variations in community college resources and the implications of the current service area and taxing district structure

Consider varying cost drivers for community college operations and opportunities to enhance college operations through cost savings and efficiencies

TOPICS COVERED TO DATE



- Demographic Trends; High School Graduates (Western Interstate Commission for Higher Education (WICHE), TX Demographer)
- Dual Credit Enrollment Trends
- Local Finance in Community Colleges (Postsecondary Analytics, NCHEMS)
- Comparison State Considerations (HCM, California)
- Texas CC Finance (Joe May, NCHEMS, HCM)



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DEMOGRAPHIC TRENDS, HIGH SCHOOL PROJECTIONS, AND DUAL ENROLLMENT





SUMMARY: DEMOGRAPHIC & ENROLLMENT TRENDS

- Demographic wave in educational pipeline is in populations that we have historically had a hard time serving and for whom there are gaps in achieving 60x30 attainment goal.
- Regional variation in population change, unemployment, labor force participation, educational attainment has direct implications for community colleges.
- Increased but variable access to dual credit, given underlying demographic realities, will require solutions that reduce cost barriers and provide strong supports and pathways.
- Finance model should be responsive to demographic realities, consider regional variations and places value on credentials that lead to employment/mobility.





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STATE AND LOCAL FINANCE





SUMMARY REFLECTIONS

- Current CC business models can often force CCs to make business decisions that potentially run counter to the student, employer, and state interests.
- No effective state-level incentive to ensure CCs respond in a concerted, efficient manner to state policy goals, e.g., 60x30TX
- Need to develop a purposeful state investment strategy that considers
 - Role/impact of local resources on equity in access for students and resources across institutions.
 - Variations in student level of need and support
 - State and regional workforce and outcome needs
 - The state's role in funding for community colleges





COMPARISON STATE CONSIDERATIONS

- No perfect fit but certain aspects may inform the Texas approach
- TX is particularly unique in local taxes. Other states have all counties in taxing districts, inequities are driven more by variations in tax capacity/property value.
- Many state models may reflect certain components but lack others that a more holistic state funding picture, such as:
 - Stability for institutions (e.g., considerations of local tax variability)
 - Intentional investment of state dollars
 - Supporting innovations and modernization





STATE AND LOCAL FINANCE IN CCS

Local Funding

- Typically linked to property taxes
- Less subject to big swings from year-to-year
- Can stabilize more volatile funding sources, such as tuition (enrollment-driven)
- Can create inequities in resources
 - Property rich vs. Property poor areas
 - Out-of-district tuition variation
 - When taxing doesn't grow, tuition and fees typically do

State Funding

- Should be focused on state needs + factors not reflected in other funding sources
- Should be responsive to changes in the system; regional variations
- Should consider varying levels of students' needs
- Focus on outcomes – particularly jobs/employment





WHAT'S NEXT

LOOKING FORWARD

01

Shared Services Models

02

College Costs, Adequacy
+ Resource Gaps

03

Employers as Funding
Stream/Earn and Learn

04

State Role in Community
College Finance: Goals,
Objectives and Criteria

05

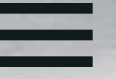
Deeper dive into taxing
and service districts





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THANK YOU

ADDITIONAL COMMENTS



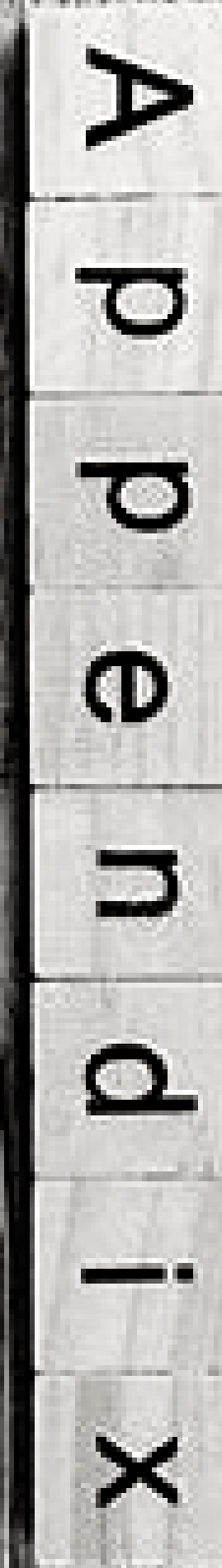


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APPENDICES

Additional Data

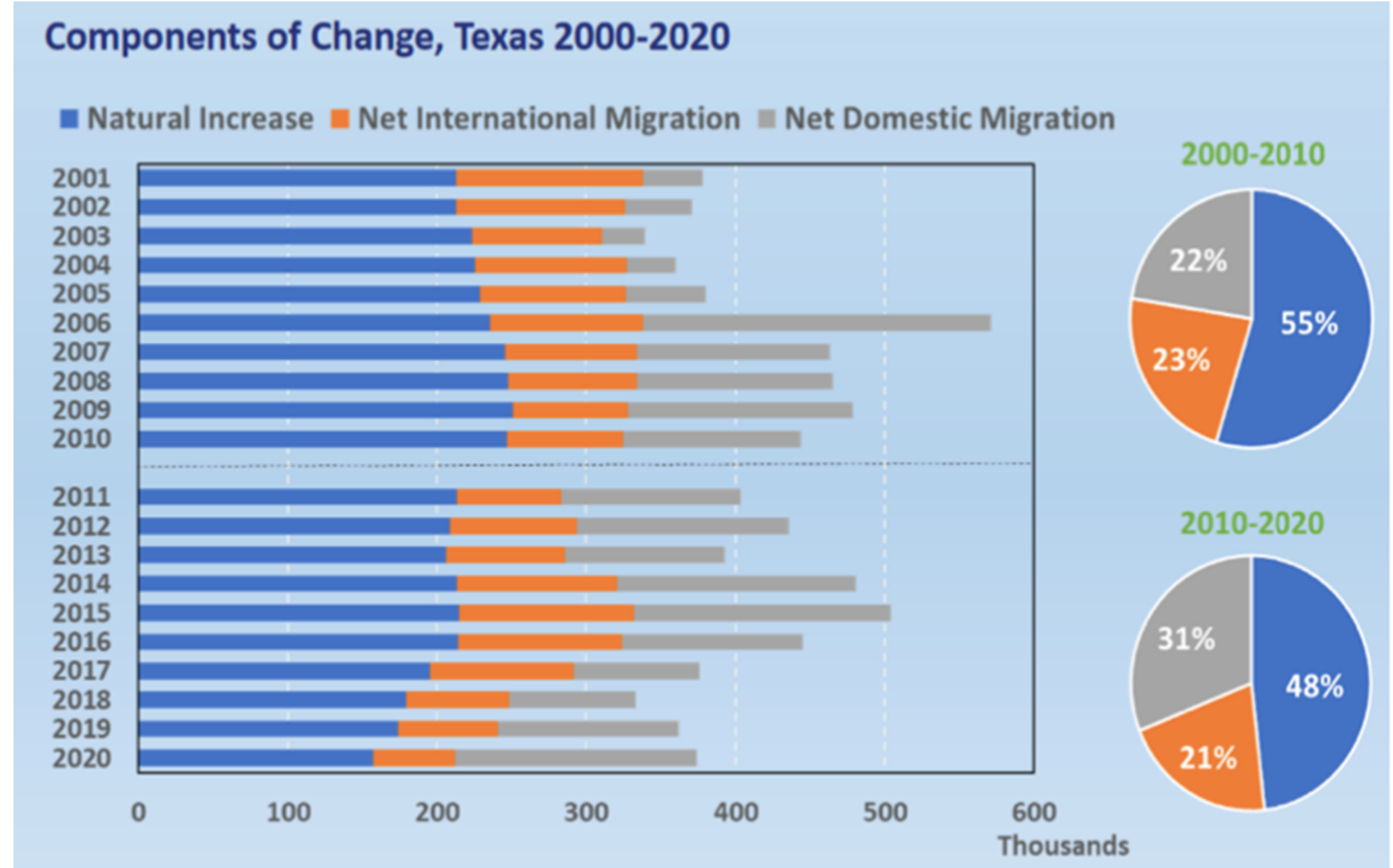




DEMOGRAPHIC TRENDS

Texas is the fastest growing state

- Growth mostly attributable to increased levels of in-migration, particularly domestic migration
- These individuals are more likely to have higher levels of educational attainment
- Growth primarily in the triangle, with most counties actually losing population





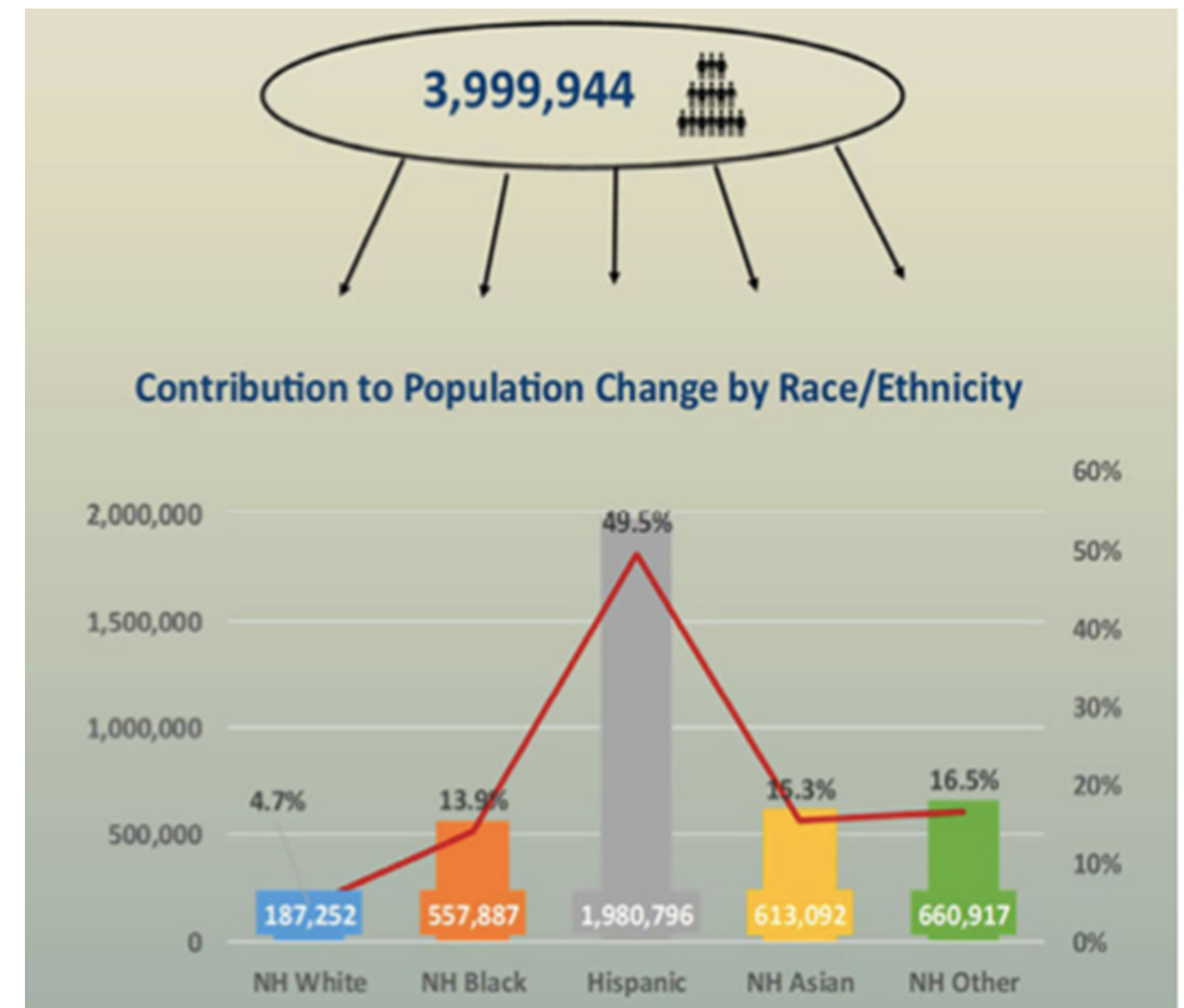
DEMOGRAPHIC TRENDS + HIGH SCHOOL TRAJECTORY

Native Texas growth is primarily lower-income and Hispanic

- 95% of all population growth over the last decade was attributable to populations of color.
- More than half of this growth from the state's Hispanic population.
- By 2040, Hispanic and Black students are projected to comprise 60% of TX 18-24 year olds.

High school trajectories

- Texas is different from the national trend with projected increases in high school graduates through 2033.
- Growth will be in Hispanic, Black and Asian/PI populations





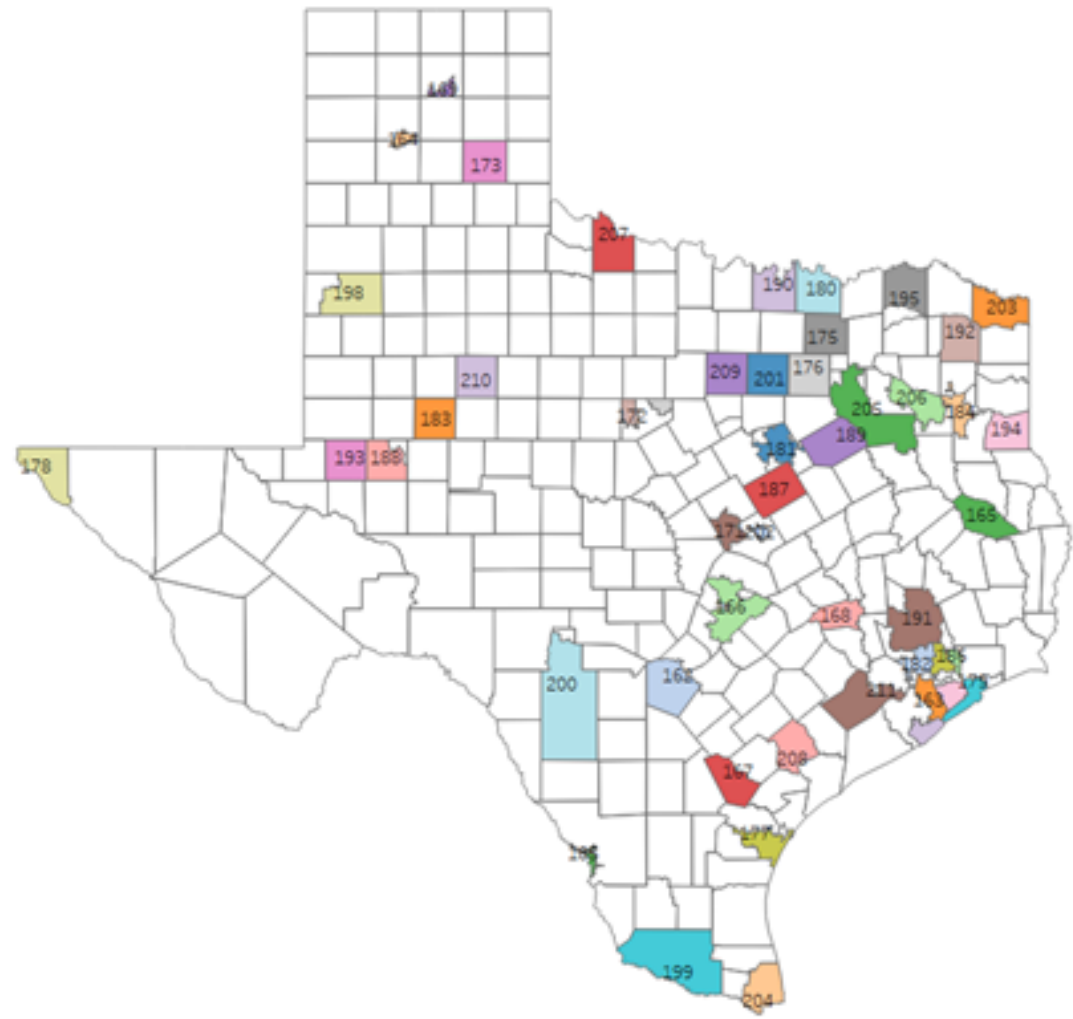
ENROLLMENT TRENDS: DUAL CREDIT

- Increased proportion of enrollment is driven by dual credit, though rates vary across colleges.
- A shift has implications for the underlying business model of CCs. Need a better understanding of access across ISDs, matriculation into PS (college or university), and outcomes.
- Wide variation in the cost of dual credit for students across state dependent on zip code.



TEXAS CC FINANCE: CURRENT MODEL

Taxing Districts and Service Areas

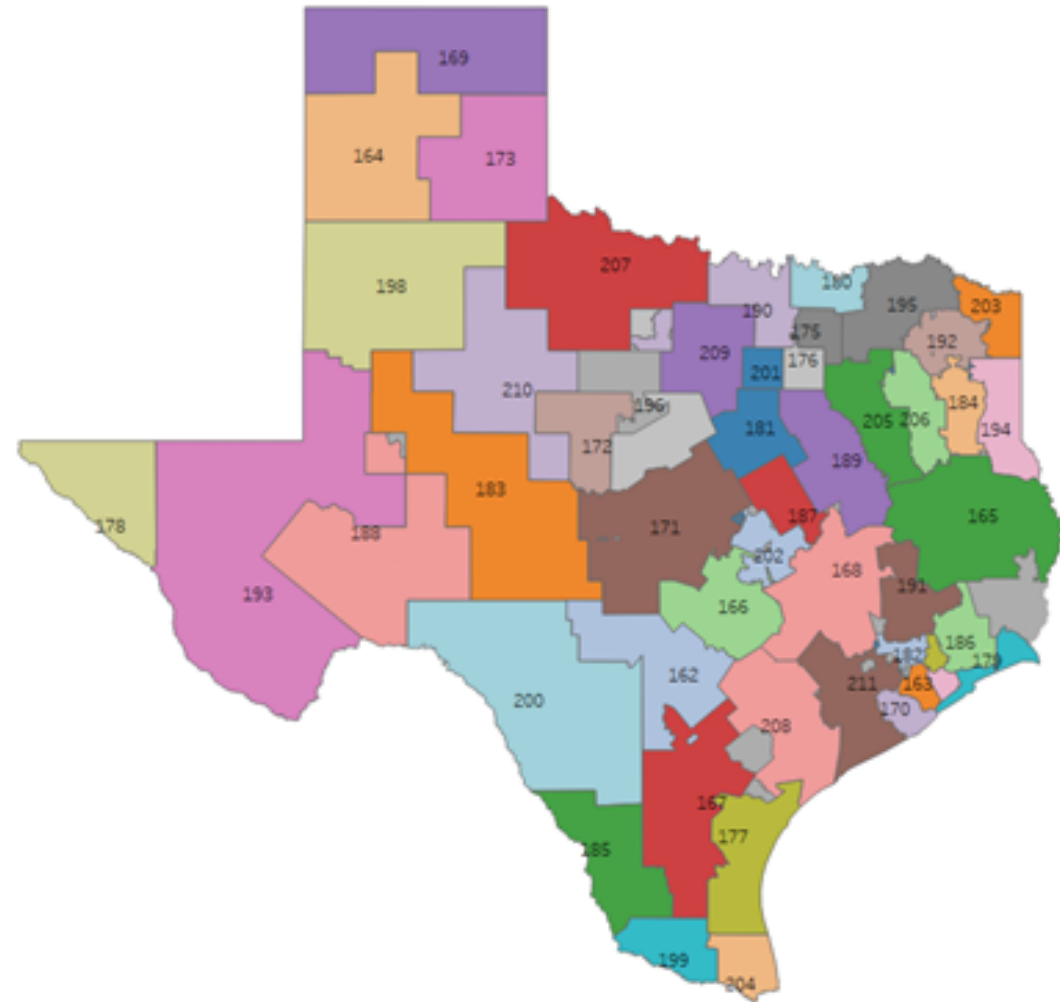


2019-2020 Community
College Taxing Districts

- Variability in make up of institutional resources ("50 Business Models")
- Institutional Resource Differences + Student Budget Variability
- Locally controlled factors vary widely: Tuition rates for in-district students vary nearly 250%, Tax rates vary 650%

TEXAS CC FINANCE: CURRENT MODEL

State Funding: One Size Fits All

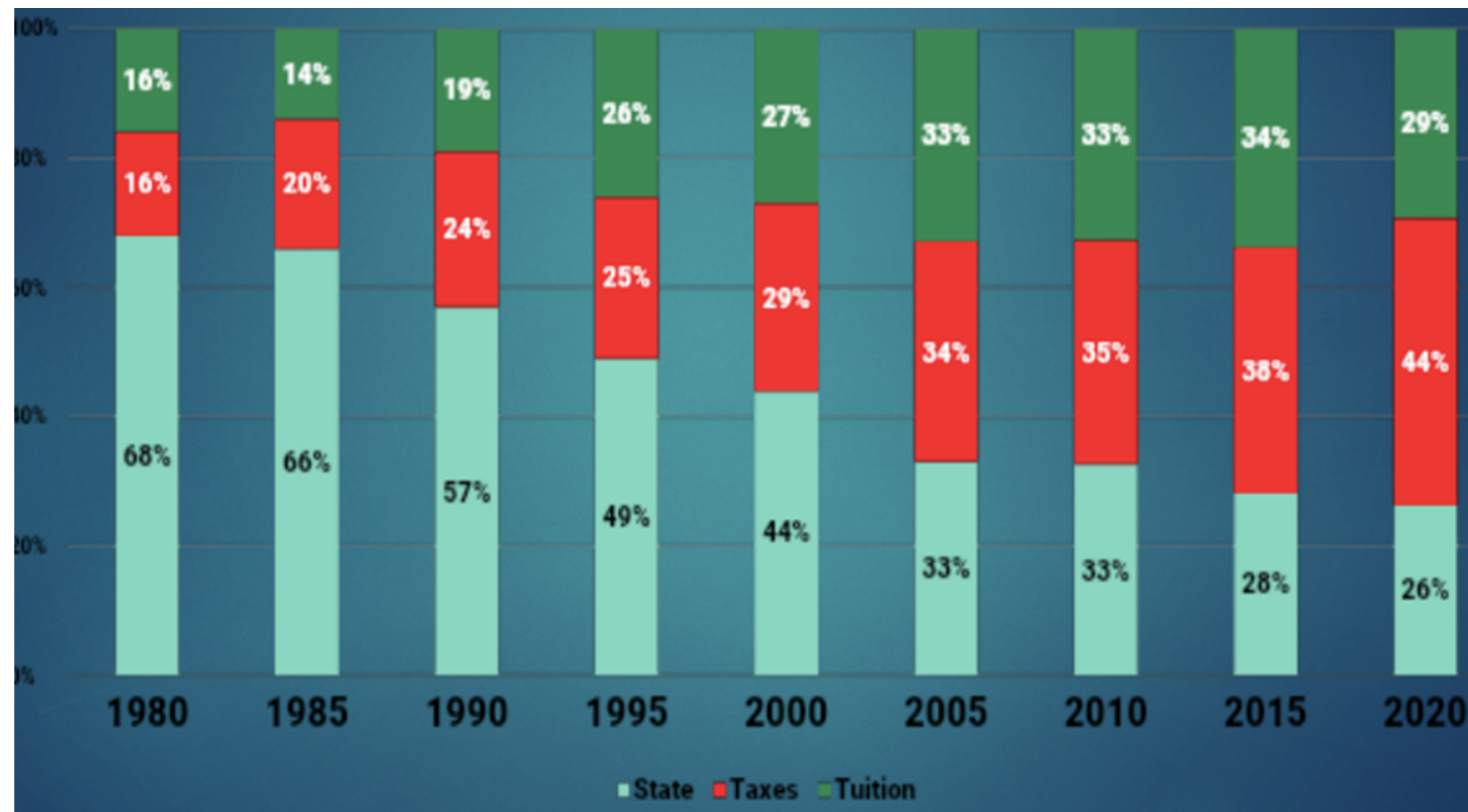


2019-2020 Community
College Service Districts

- Division of an allocation, not a formula
- Not responsive to changes in the system
- Not aligned to workforce needs and/or employment outcomes
- Heavily influenced by enrollment, less influence on outcomes state needs (particularly employments/jobs)
- No reflection of demographic variations/different student needs



STATE AND LOCAL FINANCE IN CCS



- State funding 66% to 25% over 30 years
- Results in loss of leverage at the state level
- Local communities and CC students make up the difference