



Texas Commission on Community College Finance Testimony by Dr. Brent Wallace Chancellor, North Central Texas College

September 12, 2022

Thank you, Chairman Hunt, Commissioner Keller, and Commission Members for the opportunity to testify this morning. My name is **Dr. Brent Wallace** and I serve as Chancellor of North Central Texas College.

I am always proud to represent the Lions of NCTC, but today, I am here as a member of the Executive Committee on behalf of the forty-eight members of the Texas Association of Community Colleges (otherwise known as “TACC”). I serve as Treasurer/Secretary of TACC’s Executive Committee and our Chairman, Dr. William Serrata, who testified before this Commission in June, unfortunately is unable to be here today because of a long-standing commitment on behalf of his institution, El Paso Community College.

First, I want to thank you for the many hours of dedicated public service that each of you, as members of the Commission, have contributed since your first meeting last November. We especially appreciate the time you have spent listening, learning, and now, putting forth thoughtful – and, in many ways - historic draft recommendations. These recommendations promise to fundamentally reform our community college finance system and ultimately, to help Texans achieve their full potential while uplifting the entire state.

As each of you undoubtedly know, Texas public community colleges play a critical role in providing students of all backgrounds with access to high-quality and affordable academic programs, workforce education training, and continuing education opportunities.

Overall, Texas public community colleges proudly serve:

- **43 percent** of the total enrollment in Texas Higher Education.
- **68 percent** of Freshmen and Sophomores in Higher Education.
- **93 percent** of all Career and Technical Education Enrollment, and
- **92 percent** of all Dual Credit Enrollment.

Our community colleges across the state reach a diverse and largely underserved student population – for example, we confer **44 percent** of all Texas postsecondary credentials awarded to students who are economically disadvantaged. Needless-to-say, we are proud of the role we play in helping Texans across the state to achieve their postsecondary goals and obtain an affordable, high-quality degree or credential that leads to career advancement and success.



The Texas Association of Community Colleges (TACC) is encouraged by the draft recommendations released earlier this week by this Commission. Specifically, we see broad alignment between the Commission’s draft recommendations and our recommendations that were presented on behalf of TACC by Dr. Serrata at your June hearing.

For example, since 2011, the number of certificates for Career and Technical Education (CTE) conferred by Texas community colleges **has increased by 29 percent** over that ten-year period. Thus, one of TACC’s recommendations for this Commission was the need for a funding model to address the higher costs associated with CTE, Workforce Education training, and Continuing Education instruction. We are pleased that the draft recommendations contain important language regarding the need to invest additional state funds to not only stand-up new CTE capacity, but to expand these programs, including non-credit Continuing Education instruction, which allows Texans to quickly reskill and upskill into a higher paying occupational pathway.

Similarly, we are glad that the TACC recommendation for a predictable funding structure that provides for new annual dollars for growth has been embraced by the Commission in its draft recommendation calling for a funding structure with “fixed dollars for outcomes,” complete with a “settle up” period. We believe that moving from an allocation method to a funding formula that is dynamic and driven by outcomes will give our colleges the assurance they need to make much-needed investments to further our academic, workforce, and continuing education course offerings.

And I want to be clear that TACC member institutions are equally encouraged by language that would change the current allocation funding structure to an outcomes model, based upon increased transfer to four-year institutions, credentials of value, and credentials awarded in high demand fields. We are confident that we can and in fact, we are already delivering on these results; you’ll recall those statistics I referenced earlier. We do, however, urge further consideration of adding an additional outcome metric that would recognize the importance of dual credit tied to career pathways.

We welcome a funding structure that has the potential to lift all community colleges across the state, rather than have colleges compete against each other for a static sum of state funding.

We are also encouraged that the draft recommendations acknowledge the critical need for new state funding for community college formulas, expanding capacity, and student financial aid. As Commissioner Keller stated just last Friday in his testimony before the House Appropriations Committee, current funding for the Texas Educational Opportunity Grant (TEOG) allows, at best, **only 28 percent** of eligible students to be served. We support Commissioner Keller – and this Commission – for its draft recommendation to significantly increase TEOG funding to reach **at least 70 percent** of eligible students.

Of course, since you are each well-aware of the variety of community colleges in our state and the unique and important role each of these institutions play in their locality and region, it will come as no surprise that we do have concerns regarding some of the recommendations.



For example, TACC had recommended that any funding model should encourage and support shared services and institutional collaboration, but with an opt-in approach. Thus, the draft recommendation stating that certain colleges “*would be expected*” to participate in shared services is, we believe, worthy of further consideration to clarify that any such participation would be permissive and not required. All colleges, whether small and rural-facing, or large and urban, are constantly seeking ways to improve efficiency across all college operations. We support the work being done by the Coordinating Board to explore areas where the agency can serve as a hub over a range of options for shared services – TACC member institutions would be happy to participate in this collaborative process, depending on the needs and situations of each institution.

Likewise, I know that our smaller and/or rural-facing colleges appreciate the recommendation regarding the foundational guaranteed yield as an acknowledgement of the challenges those institutions face with lower taxable property values and declining populations. However, given the numerous factors that can influence property tax valuations – and the volatility of these valuations – we urge further consideration regarding this leveling-up process to ensure that consistency and predictability are built-in for this much needed funding.

Lastly, we also believe that greater specificity and clarity is needed regarding the proposal that the Coordinating Board would set a “uniform tuition rate” for dual credit. Our colleges have a variety of arrangements with their local independent school districts regarding dual credit tuition and waivers, depending on the needs of local stakeholders. These decisions are currently made by local governing boards and while we strongly support broader access to dual credit, any uniform tuition rate for dual credit could have implications for our colleges’ business model. We look forward to working together to further clarify this.

In conclusion, Senate Bill 1230, TACC’s priority bill last session which created the Texas Commission on Community College Finance, tasked this Commission with making recommendations regarding state funding levels for community colleges to sustain and build upon the academic and workforce program offerings and, to improve student outcomes.

The draft recommendations put forth by this Commission are not tinkering at the margins. This Commission has provided a blueprint for bold, ambitious, and potentially transformational change to the funding structure of our public community colleges which better aligns funding with the state’s long-term higher education goals of **Building a Talent Strong Texas**.

We look forward to continuing to work alongside this Commission and the Texas Legislature to arrive at a final set of recommendations that will allow any student in our state to achieve their full potential. Done right, these recommendations can provide Texans a path out of poverty and change the trajectory of entire families. We can strengthen communities by better aligning educational pathways with existing opportunities and, improve our workforce at a scale that benefits the entire state.

Thank you for the opportunity to provide this public testimony; I would be happy to answer any questions.