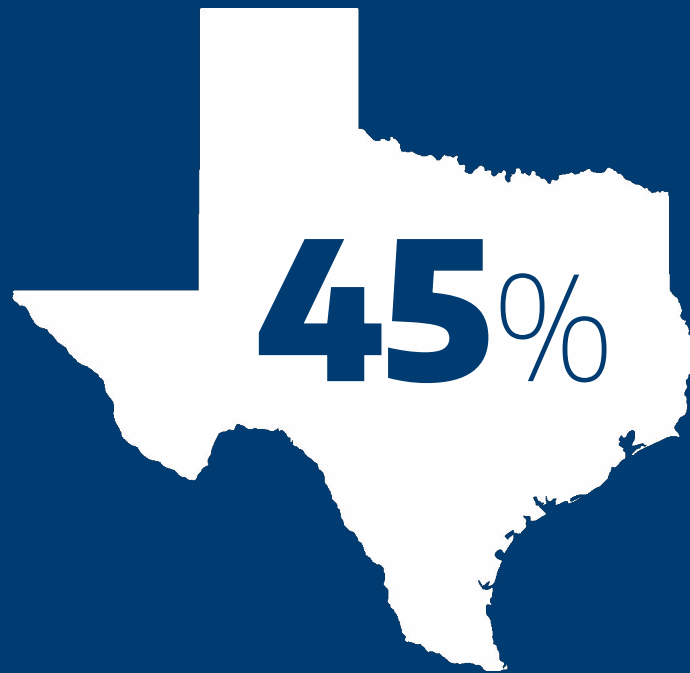


Texas Commission on Community College Finance: Final Recommendations

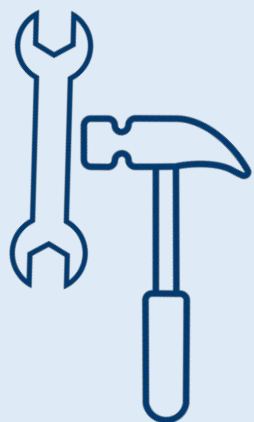


Texas Association of
Community Colleges



Texas community colleges enroll 45% of all postsecondary students in the state.

Our colleges:



Award

93%

of all career and technical education degrees & certificates

Enroll

92%



of all dual credit enrollments in the state

Provide a pathway for transfer



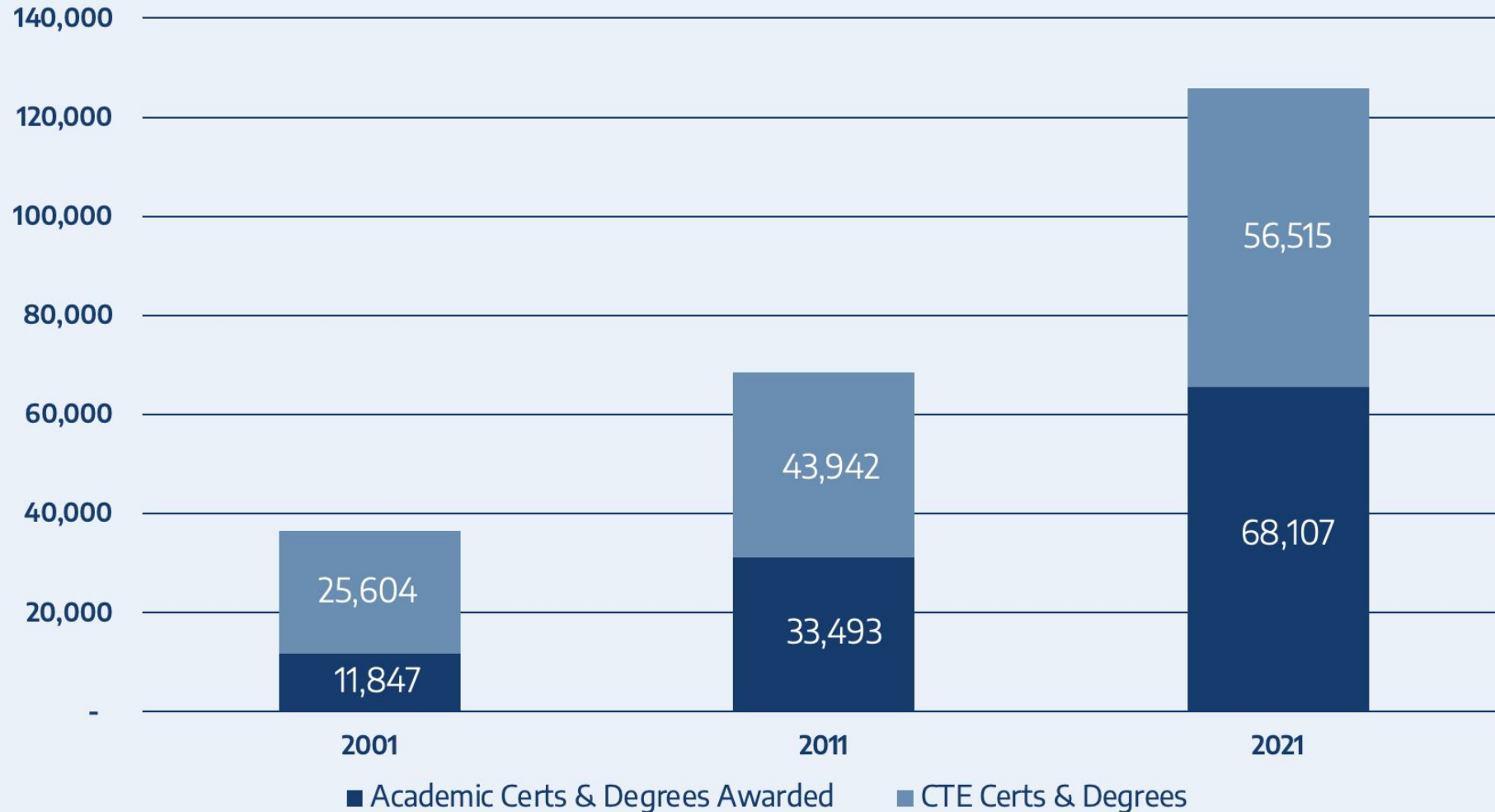
70%

of all FY2019 bachelor's degree graduates had some transfer credits from a two-year college

Texas Higher Education Preliminary Enrollments

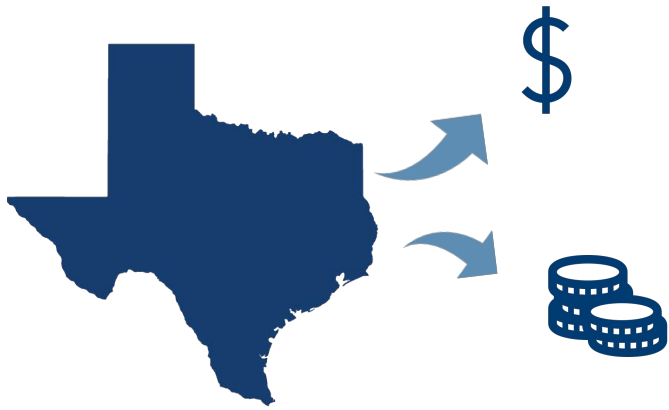
Sector	Certified 2019 Enrollment	Certified 2020 Enrollment	Certified 2021 Enrollment	Preliminary 2022 Enrollment	Fall 2021 to Fall 2022 Percent Change	Fall 2019 to Fall 2022 Percent Change
Public Universities	657,985	667,046	665,213	667,974	0.4%	1.5%
Public Community Colleges	726,300	650,499	639,546	640,582	0.2%	-11.8%
Public State and Technical Colleges	20,810	23,106	25,818	26,579	2.9%	27.7%
Health-related Institutions	29,735	30,528	31,548	31,869	1.0%	7.2%
Independent Colleges Universities	125,918	125,373	128,242	128,255	0.0%	1.9%
Total	1,560,748	1,496,552	1,490,367	1,495,259	0.3%	-4.2%

Texas community colleges help meet workforce needs



Total
Certificates
and Degrees
Awarded by
Community
Colleges

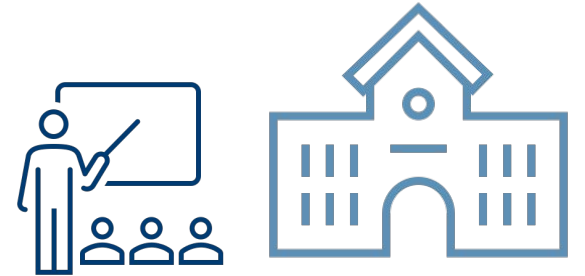
Texas community colleges are currently funded through 3 main sources of revenue



State Appropriations



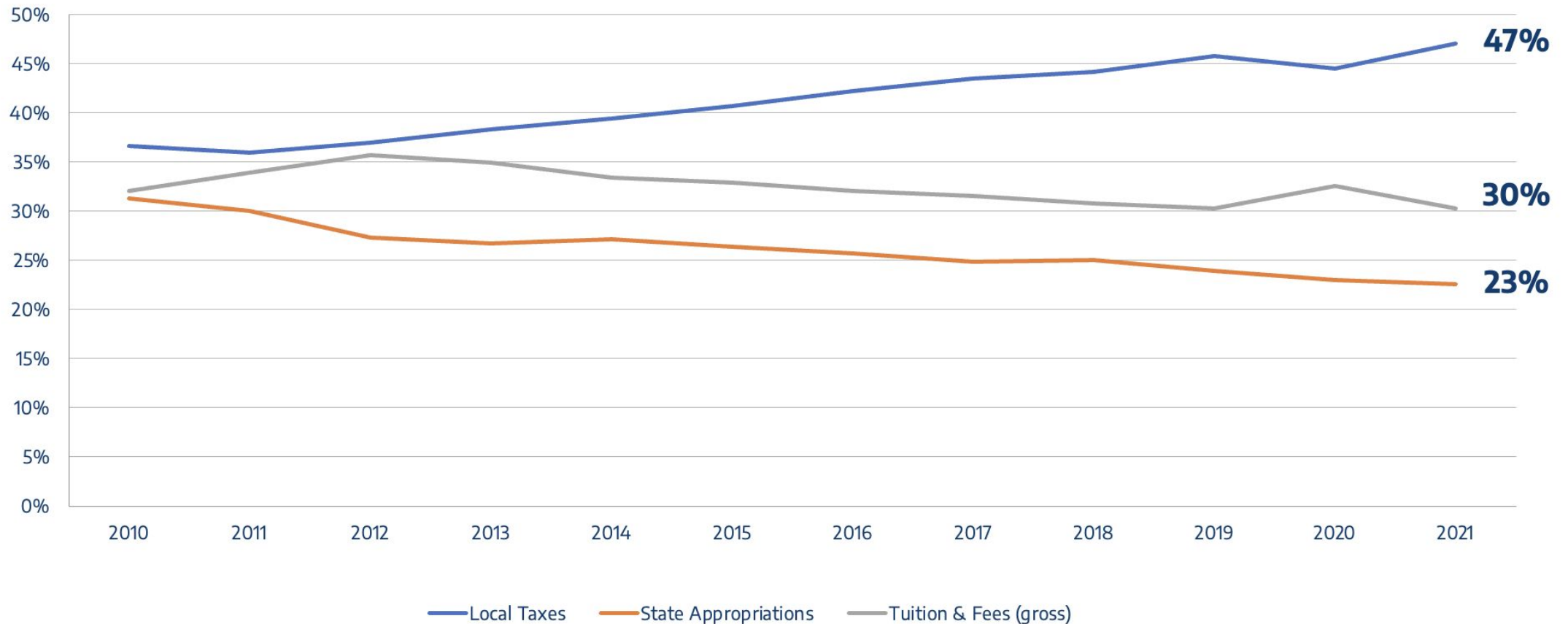
Local Property Taxes



Tuition & Fees

Funding streams have significantly changed

Relative composition of primary revenue sources, 2010-2021



A BILL TO BE ENTITLED
AN ACT

relating to establishing the Texas Commission on Community College Finance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter G, Chapter 130, Education Code, is amended by adding Section 130.1305 to read as follows:

Sec. 130.1305. TEXAS COMMISSION ON COMMUNITY COLLEGE FINANCE. (a) The Texas Commission on Community College Finance is established to make recommendations for consideration by the 88th Texas Legislature regarding the state funding formula and funding levels for public junior colleges in Texas that would be sufficient to sustain viable junior college education and training offerings throughout the state.

(b) The commission is composed of 11 members as follows:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor;

(3) three members appointed by the speaker of the house of representatives;

(4) one member appointed by the board of the Texas Association of Community Colleges; and

(5) one member appointed by the board of the Community College Association of Texas Trustees.

(c) Members appointed by the governor must be representatives of junior college leaders, business leaders, or other stakeholders knowledgeable in junior college mission, instructional programs, and finance.

(d) Members appointed by the lieutenant governor shall consist of:

(1) two members of the Texas Senate; and

(2) an administrator from an institution of higher education as defined by Section 61.003.

(e) Members appointed by the speaker of the house shall consist of:

(1) two members of the house of representatives; and

(2) an administrator from an institution of higher education as defined by Section 61.003.

(f) In making appointments, the governor, lieutenant governor, and speaker of the house of representatives shall

87 (R) – SB 1230

Relating to establishing the Texas Commission on Community College Finance

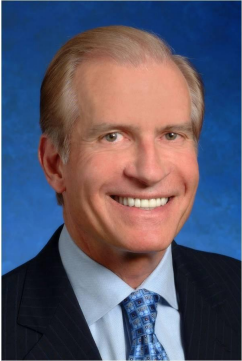
Passage: May 7, 2021

Commission goal:

The commission shall make recommendations for consideration by the 88th Texas Legislature for establishing a state funding formula and funding levels sufficient for sustaining viable community college education and training offerings throughout the state.

Commission Appointees

Chairman



Woody Hunt
Senior Chairman of the
Board of Hunt Companies



Brandon Creighton
Texas State Senate



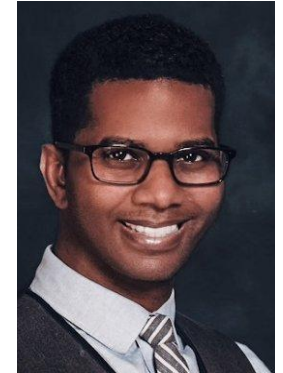
Dr. Mark Escamilla
President,
Del Mar College



Dr. Steve Head
Chancellor,
Lone Star College



Dr. Brenda Hellyer
Chancellor,
San Jacinto College



Brian Jones
Director, Professional Learning
at Odessa College



Dr. Brenda Kays
President, Kilgore College



Oscar Longoria
Texas House of
Representatives



Carol Scott
Chair, Del Mar College
Board of Regents



Larry Taylor
Texas State Senate

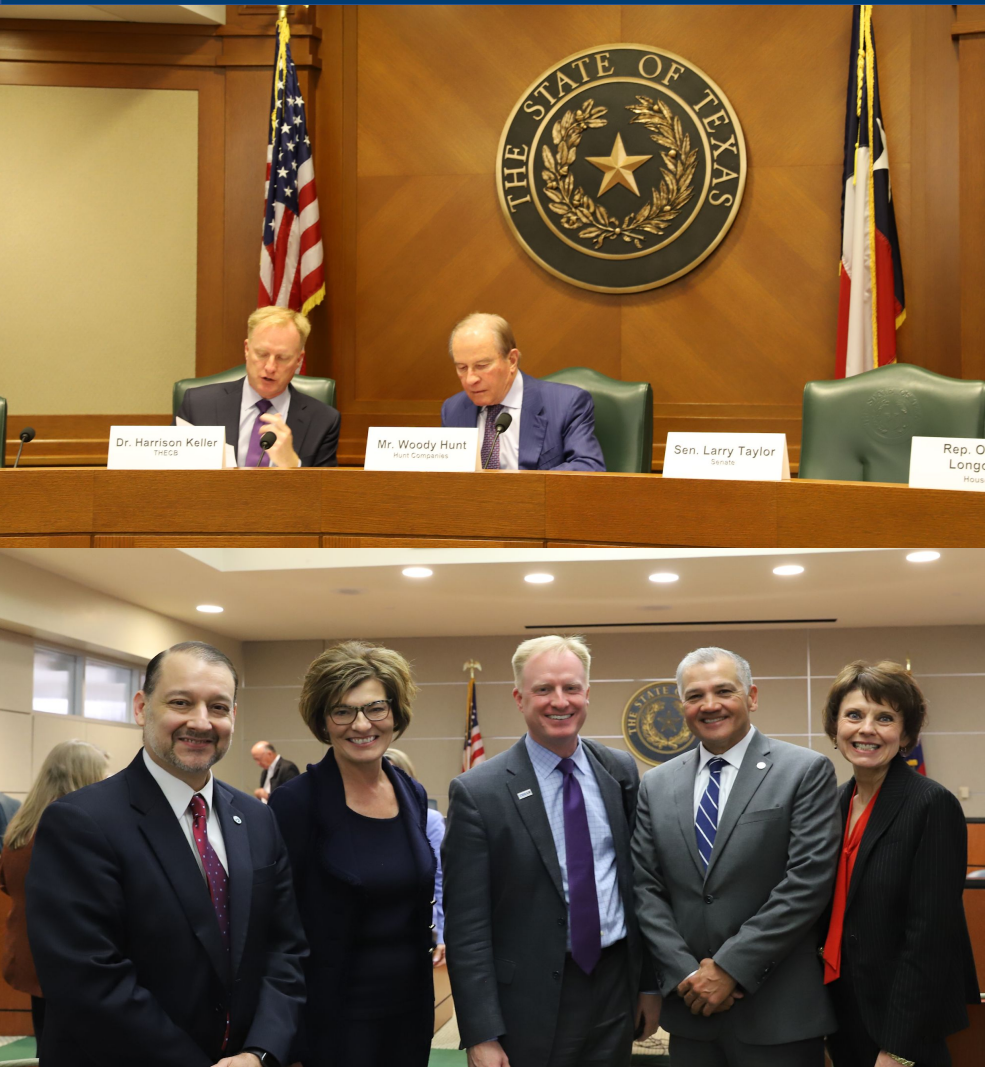


Gary VanDeaver
Texas House of
Representatives



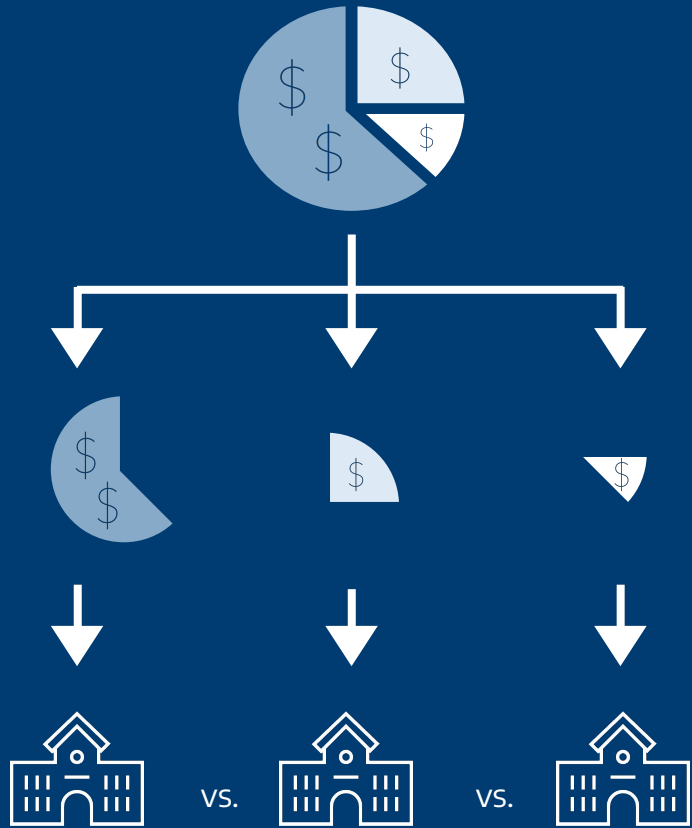
Todd Williams
CEO, The Commit Partnership

TXCCCF Meeting Cadence

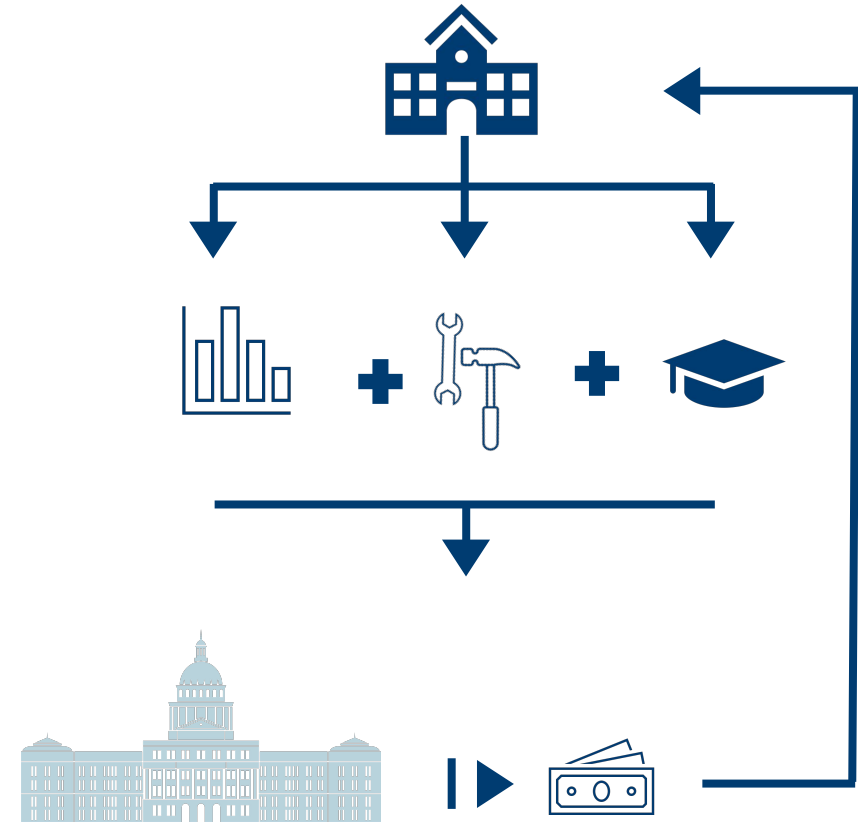


- **Inaugural meeting** – November 15, 2021
- The full Commission met a total **7 times**
- Commission broke into **three workgroups** to further explore topics:
 - College Operations
 - Student Supports
 - Workforce Policy
- **Final report timeline:**
 - **September 12, 2022** – Commission issued first draft of report
 - **October 18, 2022** – Commission presented updated draft and unanimously approved the recommendations
 - **November 17, 2022** – Final report published and made public

Static Formula



Dynamic Formula

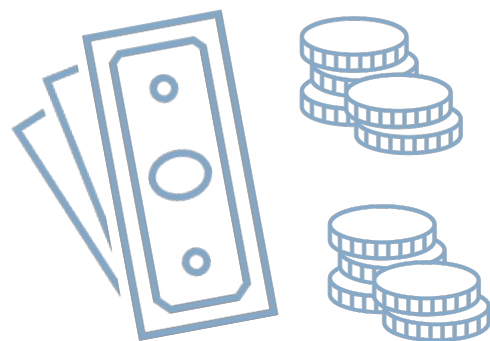


This is a **historic opportunity** to transition from a funding model that is static and merely redivides the same pie, to one that provides colleges with predictable funding based on outcomes.

Key Changes from September Draft



The addition of **dual credit** courses that apply toward academic or workforce education program requirements as a metric to the outcomes-based formula in Recommendation 1.1.



A change in terminology from **“uniform” to “maximum” dual credit tuition rate** in Recommendation 2.2.



Temporary hold harmless language to ensure that no college receives less state funding under the new outcomes-based formula than what is provided under the current formula.



A recommendation to provide discretionary authority to the Texas Commissioner of Higher Education to address **“unintended consequences”** of the new funding formula.

TXCCCF Final Recommendations

1. State Funding for Outcomes

\$430M

Recommendation 1.1: Develop a modern community college finance model that distributes the majority of state funding based on **measurable outcomes** aligned with regional and state workforce needs and state goals for *Building a Talent Strong Texas*.

- **Credentials of value**, including degrees, certificates, and other credentials from credit and non-credit programs that equip Texas students for continued learning and greater earnings in the state economy;
- Credentials of value awarded in **high-demand fields**;
- Students who **transfer** to four-year universities; and
- Students who complete a sequence of **dual credit courses** that apply towards academic and workforce program requirements.

The Commission also recommends that the outcomes-based formula include **robust incentives for completions and transfers of students who are economically or educationally disadvantaged and adult learners** to promote improved outcomes for populations that historically have completed postsecondary credentials at significantly lower rates.

Recommendation 1.2: Ensure community colleges across Texas can access foundational levels of funding for **instruction and operations** through a state-funded guaranteed yield for colleges with low taxable valuations.

Recommendation 1.3: Facilitate initial implementation of the new model through **hold harmless funding**, and authorize the Texas Commissioner of Higher Education to create a process to address **unintended negative consequences**.

TXCCCF Final Recommendations

2. Affordability for Students

\$170M

Recommendation 2.1: Increase funding for **Texas Educational Opportunity Grants** (TEOG) and link state performance measures for eligible students served through TEOG at two-year institutions and TEXAS Grants at universities to establish a state goal of supporting at least 70 percent of qualified low-income college students in pursuing postsecondary credentials of value at public two- and four-year institutions.

Recommendation 2.2: Provide financial aid through colleges to cover tuition and required fees in dual credit courses for economically disadvantaged students. This new targeted **financial aid for dual credit** should also incorporate a maximum tuition rate for dual credit courses set annually by THECB to help ensure equitable access for high school students across the state to dual credit courses.

Recommendation 2.3: Expand partnerships among colleges and private employers for **paid work-based learning** opportunities, including work-study, apprenticeships, and internships related to students' programs of study, utilizing the work-based learning strategic framework developed by the Governor's Tri-Agency Workforce Initiative.

TXCCCF Final Recommendations

3. Investments in College Capacity

\$50M

Recommendation 3.1: Provide one-time **seed grants for programs in high-demand fields** to support community colleges in rapidly standing up or expanding programs to meet regional and state workforce needs.

Recommendation 3.2: Support and facilitate **shared services** and stronger inter-institutional partnerships. THECB should facilitate shared services to enable individual colleges to improve operational efficiency and expand the range of academic and workforce programs they offer. These shared services might include support for inter-institutional partnerships, master service agreements, and state technology infrastructure, along with related feasibility studies.

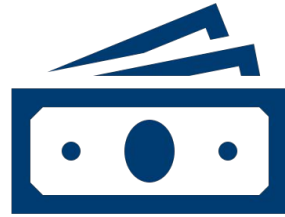
Recommendation 3.3: Update state policies, and build upon the recent work by individual colleges, to help community colleges across the state provide high-quality non-credit credential programs that are **convertible and stackable** with credit-bearing programs. A state crosswalk of non-credit to credit courses and programs will improve transferability of workforce education courses across institutions and throughout students' pathways, from high school dual credit programs through pathways for adult learners to support ongoing reskilling, upskilling, and career advancement.

Minimum Additional State Investment Needed



Formula

\$430M



Financial Aid

\$170M



College Capacity

\$50M

TOTAL

\$650M

Thank you



For further information, please contact:

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(512) 653-3331 (Mobile)

Texas Association of Community Colleges

<https://tacc.org/>