

State Association Leads

Quarterly Meeting
May 4, 2023



Texas Success Center

SALs Introductions

Please drop your answers in the chat:

- Full name, association, and are you the lead?
- Do you have an upcoming event? If, so please include date.
- Are there other associations that should be included?



SALs Quarterly Meeting Agenda

- **House Bill 8 / Senate Bill 2539: Redesigning the Way Community Colleges are Funded** – Jacob Cottingham
- **Special Topic Discussion**
- **Upcoming Meetings**



House Bill 8 / Senate Bill 2539:

Redesigning the Way Texas Community Colleges Are Funded

Jacob Cottingham

Senior Director, Government Relations



Texas Association of
Community Colleges

TEXAS BY THE NUMBERS

#1 U.S. EXPORTER
FOR 20 YEARS IN A ROW



\$375B
IN 2021

MORE THAN

14.5 MILLION

PEOPLE IN THE
CIVILIAN LABOR FORCE



9TH LARGEST ECONOMY IN THE WORLD*

*IF TEXAS WERE A NATION

26 COMMERCIAL
AIRPORTS

19 SEA PORTS

22 INTERSTATE
HIGHWAYS

34 FOREIGN
TRADE ZONES

58 FREIGHT
RAILROADS

367 MILES OF
COASTLINE

**NO PERSONAL
OR CORPORATE
INCOME TAX**



TEXAS IS THE LARGEST
ENERGY-PRODUCING
STATE IN THE NATION

TEXAS IS THE LEADING
DESTINATION FOR COMPANIES
RELOCATING FROM OTHER STATES



**A LEADING
JOBS CREATOR**

IN 2021, TEXAS ADDED
694,400 JOBS

90% 
GRADUATION RATE

TEXAS' HIGH SCHOOL GRADUATION
RATE IS AMONG THE TOP 5
HIGHEST IN THE NATION, WITH A
90% COMPLETION RATE

TEXAS LED THE NATION IN
HIGH TECH EXPORTS FOR THE
9TH CONSECUTIVE YEAR



\$50B
IN 2021

THE LONE STAR STATE IS HOME TO

53 FORTUNE 500
COMPANY HQs

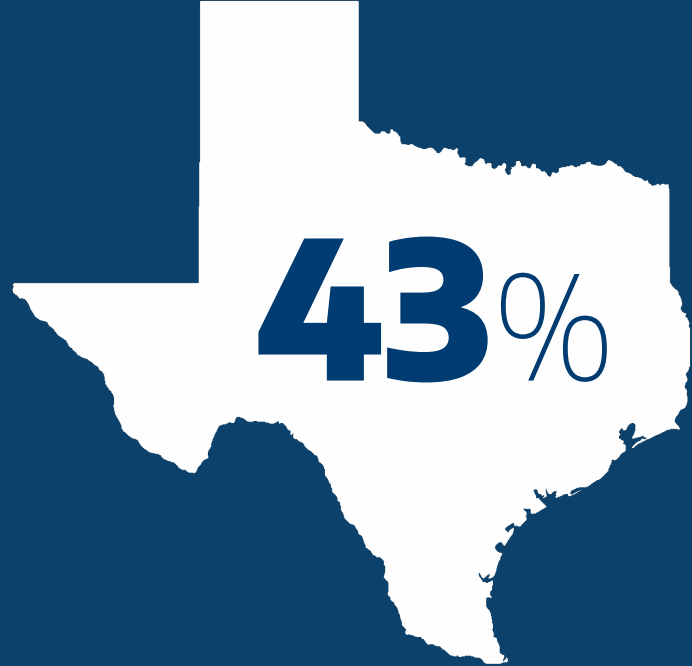


All Eyes ON TEXAS

Community Colleges Focus on Preparing
the Workforce of Tomorrow

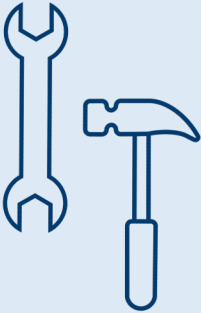


“Many of the more than 4 million jobs the state expects to add in the next 15 years will require a bachelor’s degree or more. But there will also be continued need for what some call “middle-tier” workers—those **with more than a high school diploma but less than a four-year college degree.**”



Texas community colleges enroll 43% of all postsecondary students in the state.

Our colleges:



Award

93%

of all career and technical education degrees & certificates



Enroll

94%

of all dual credit enrollments in the state

Provide a pathway for transfer



69%

of all FY2021 bachelor's degree graduates had **some transfer** credits from a two-year college

34%

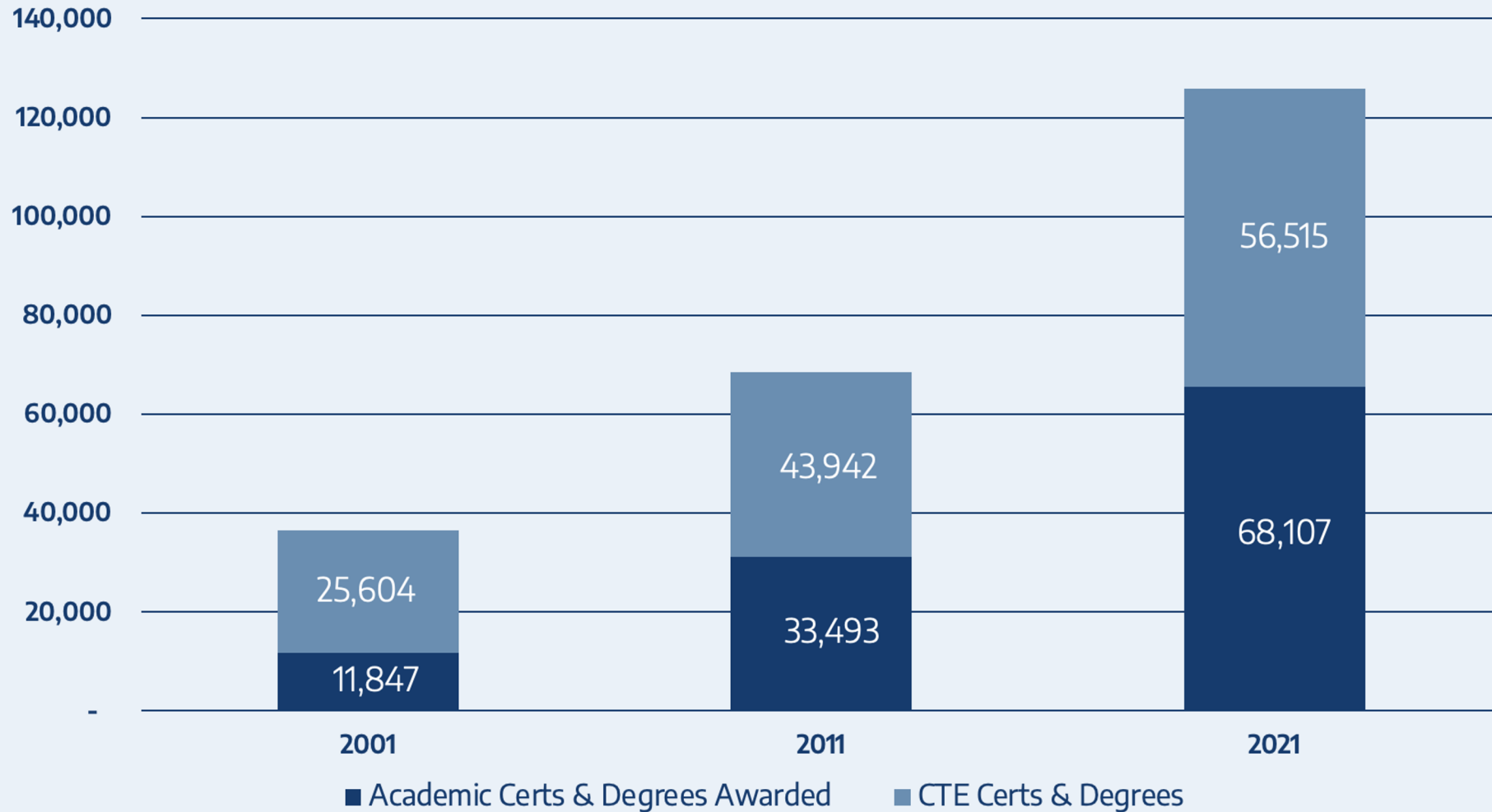
of all FY2021 bachelor's degree graduates had **more than 30 transfer credit hours** from a two-year college

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%



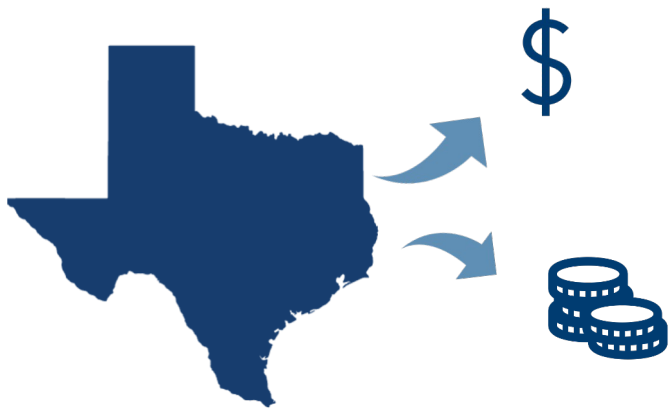
Texas Community Colleges Help Meet Workforce Needs



Degrees and certificates earned **increased by 61% from 2011 to 2021** despite mostly flat enrollment:

- 28% growth in CTE
- 104% growth in Academic

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



State Appropriations



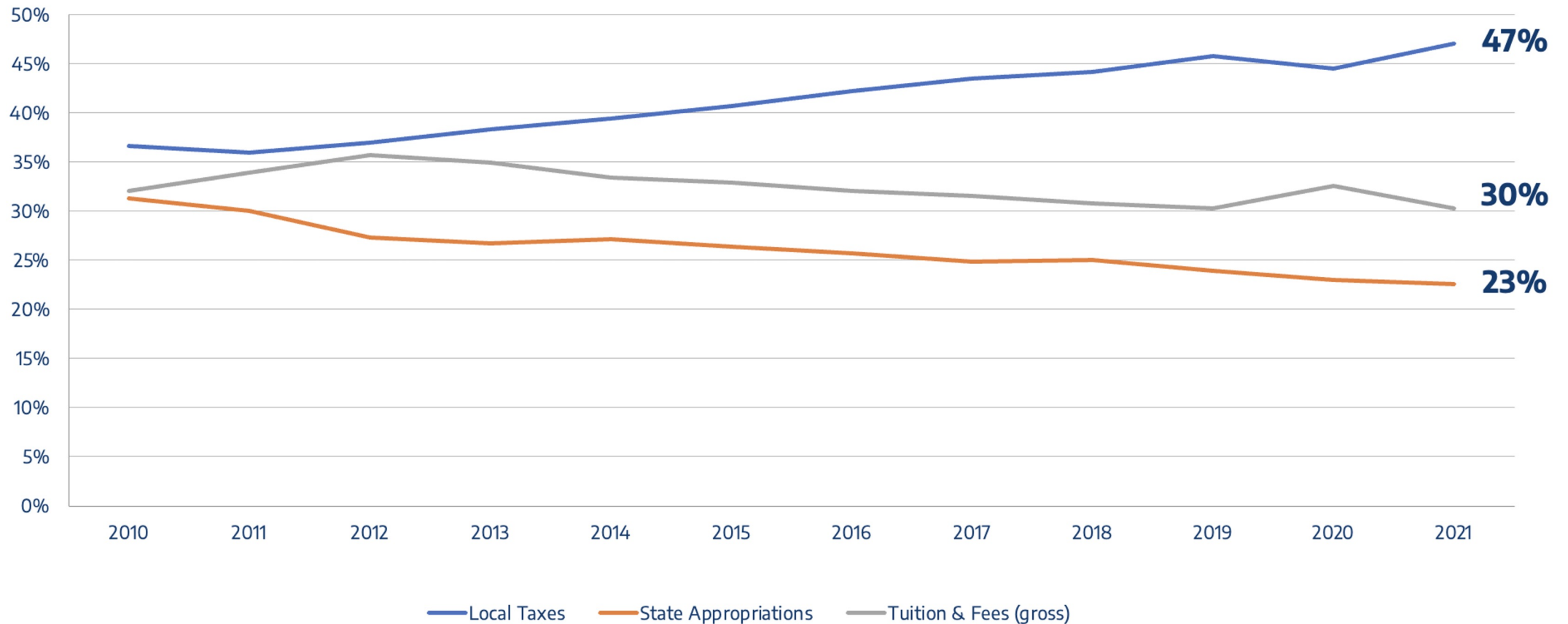
Local Property Taxes



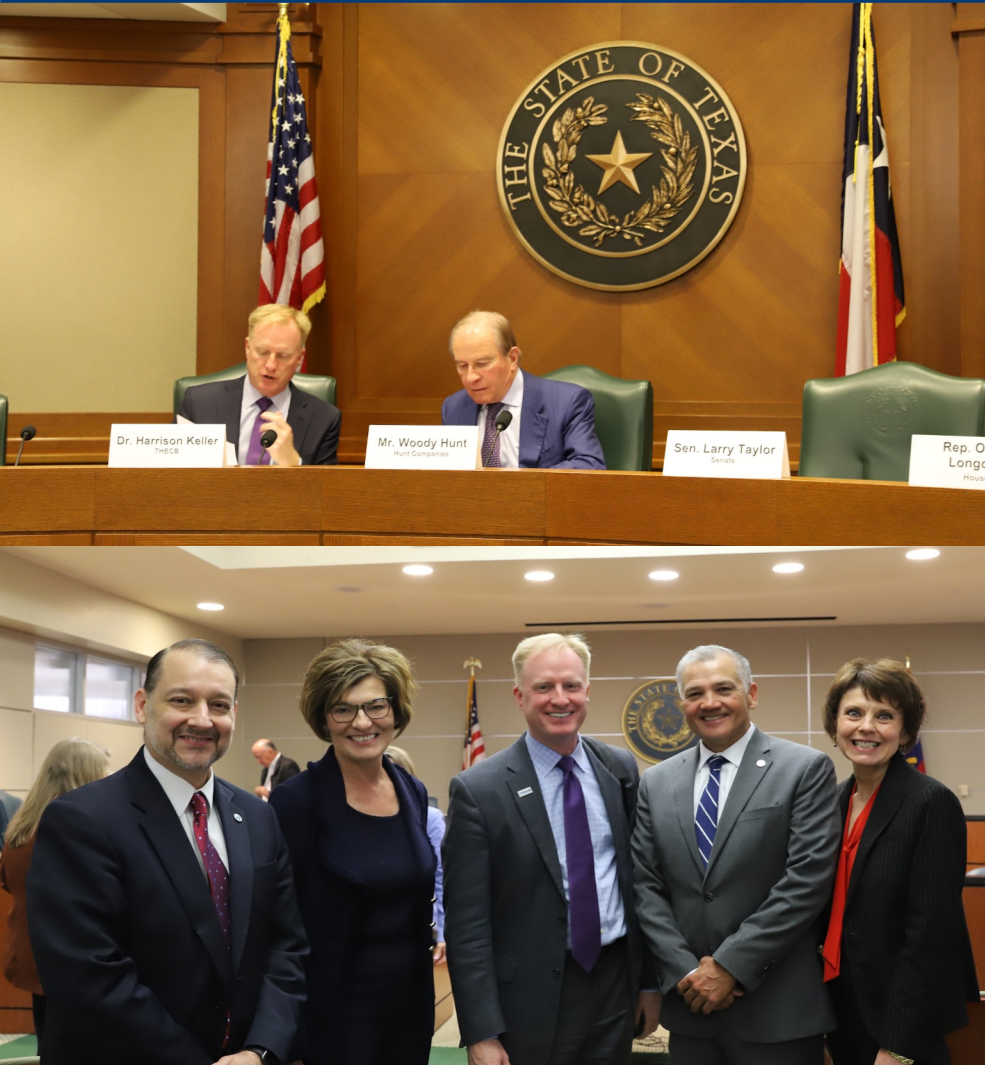
Tuition & Fees

Funding streams have significantly changed

Relative composition of primary revenue sources, 2010-2021



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
- **Texas Legislative Session started January 10, 2023**



Texas Commission on Community College Finance

Final Recommendations

The Texas Commission on Community College Finance was established during the 87th Legislature by SB 1230 to **re-evaluate how Texas community colleges are funded via state appropriations**. The 12 appointed commissioners held seven public hearings, with the final hearing on Tuesday, October 18, 2022, where they unanimously approved a set of final recommendations which were sent to State Leadership in early November and made public on November 17, 2022.

The final recommendations are centered around **three key areas**:

 **State Funding for Outcomes**

 **Affordability for Students**

 **Investments in College Capacity**

This one-pager provides a high-level overview of the **transformative changes** proposed by the Commission.



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.

Measurable outcomes include:

Credentials of value, including degrees, certificates, and other credentials from credit and non-credit programs.

Credentials of value awarded in **high-demand fields**.

Students who **transfer** to four-year universities.

Students who complete a sequence of **dual credit** courses that apply towards academic and workforce program requirements.

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**.



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 Texas Higher Education Coordinating Board (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.

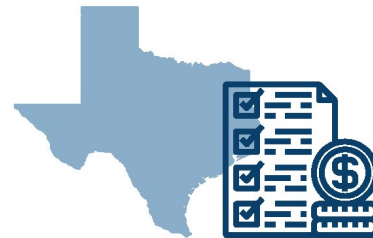


Recommendation 3.1: Provide one-time **seed grants for programs in high-demand fields** to support community colleges in rapidly standing up or expanding programs to meet regional and state workforce needs.

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.

What's next?

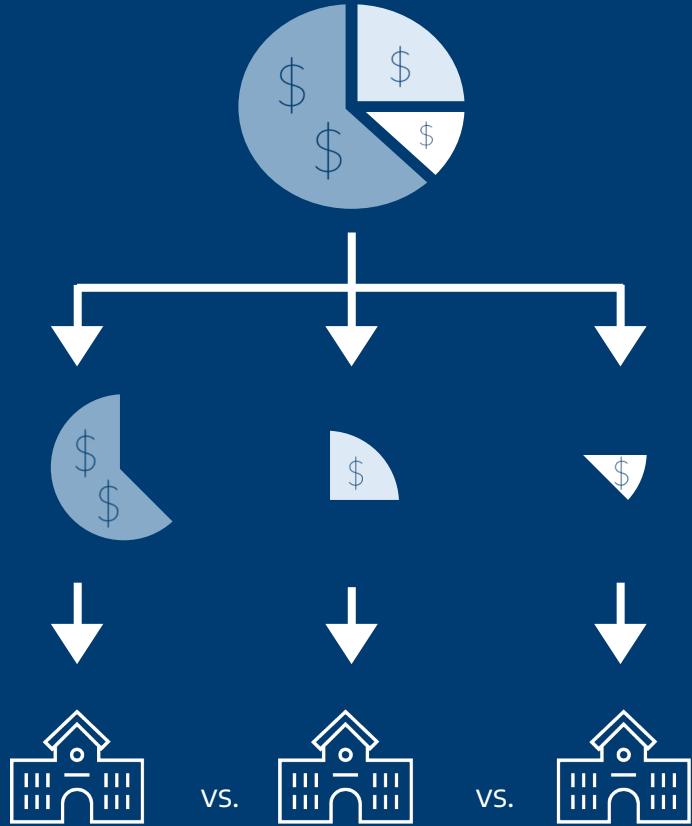


This transformational change is not achievable without commitment and critical investments from State Leadership and the Texas Legislature this upcoming session. Commissioner Harrison Keller has publicly stated these recommended changes would require an investment of roughly **\$600 to \$650 million** in additional funding for community colleges in the next biennium.

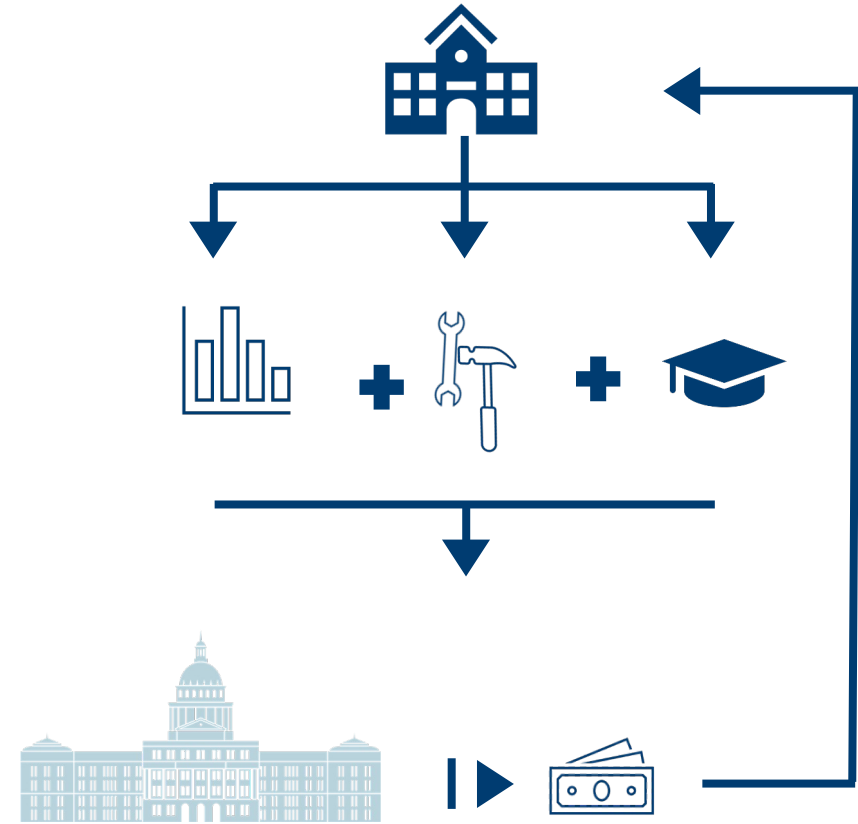
Download and print the full report by scanning the QR code here!



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.

Where are we today?

Developed support from all 50 community college districts to endorse final recommendations .

Included in the Governor's Proposed State Budget.

Committee substitute was heard in the House and Senate.

Referred to Senate Higher Education.

2022

Nov.

2023

Jan.

Feb.

March

March

April

...

May

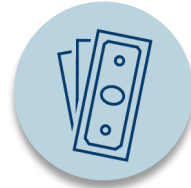
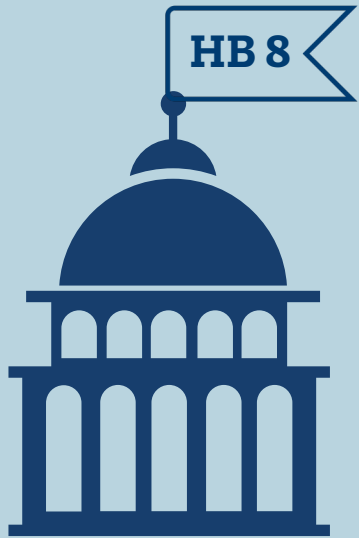
A Contingency Rider was included in the Senate & House Base Budget Bills.

Filed House Bill 8 & Senate Bill 2539.

PASSED by the House and received by the Senate.

End of Texas Legislative Session.

KEY COMPONENTS OF LEGISLATION



Financial Aid for Swift Transfer (FAST)

A new financial aid program that would allow “educationally disadvantaged” students to enroll in dual credit classes at no cost to them.



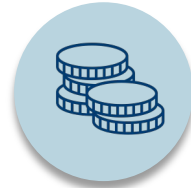
Community College Advisory Committee

A group of community college leaders that will provide advice and council to the Texas Higher Education Coordinating Board during implementation.



Performance Tier

The funding level that constitutes the majority of state funding and is comprised of measurable outcomes.



Base Tier

The funding level that ensures each public junior college has access to a defined level of funding for instruction and operations.



Shared Services

Encourages public junior colleges to participate in institutional collaborations that help students afford college, complete credentials, and transfer.

Community College Workgroup

VERY LARGE COLLEGES

- William Serrata, El Paso College, CEO (**Chairman**)
- Jennifer Mott, Lone Star College, CFO
- Teri Zamora, San Jacinto College, CFO
- Jenna Cullinane Hege, Austin Community College, IR

MEDIUM COLLEGES

- Jeremy McMillen, Grayson College, CEO
- Chris Sullivan, Angelina College, CFO
- Pam Anglin, Paris College, CEO

LARGE COLLEGES

- Brent Wallace, North Central Texas College, CEO
- Sushil Pallemmoni, Del Mar College, IR

SMALL COLLEGES

- Tex Buckhaults, Clarendon College, CEO
- Brenda Claxton, Howard College, CFO

Texas Higher Education Coordinating Board: Rulemaking Timeline for House Bill 8

Timeline provided at the first meeting of the Community College Workgroup Meeting – April 19, 2023.

May - July

The first set of rules implemented by THECB will be **emergency rules**. These rules will only be in place for a six-month period.

The first draft will need to be completed by **July 14, 2023**, for an August approval.

No public comment period.

August

Special called THECB Board Meeting to adopt emergency rules.

Emergency rules in place until January 2024.

Aug. - Jan.

Regular rules are developed by THECB.

Regular rules will have public comment period.

January '24

THECB Quarterly Board Meeting adopts regular rules.

Regular rules in place through end of 2023-2024 academic year.

March '24

New set of regular rules developed for 2024-2025 academic year.

Thank you



For further information, please visit:

Texas Association of Community Colleges
<https://tacc.org/>

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SALs Business

Proposed SALs Quarterly Meeting Dates

- July 27, 2023, 10:00 am – 11:00 am
- October 19, 2023, 10:00 am – 11:00 am
- February 1, 2024, 10:00 am – 11:00 am
- April 22, 2024, 10:00 am – 11:00 am

