

2025 ANNUAL REPORT

AN OVERVIEW OF THE 89TH LEGISLATURE & LOOKING AHEAD





A DEFINING YEAR:

Mission, Momentum & A Clear Path Forward

This was a landmark year for the Texas Association of Community Colleges (TACC). As the 89th Texas Legislative Session unfolded, the association remained focused and unified delivering strong advocacy outcomes for our colleges and the students they serve. At the same time, TACC turned inward to reflect on its own direction, culminating in the adoption of a **new Strategic Plan that articulates a bold vision and mission for the years ahead.**

Together, these milestones signal not only what TACC stands for, but where it is headed. **The legislative accomplishments of 2025 demonstrated the power of a coordinated, statewide voice in advancing policies that expand opportunity, strengthen funding, and position community colleges as central to Texas' economic future.** At the same time, the new Strategic Plan provides a clear roadmap for the association's work anchored by a defined mission, unified priorities, and a long-term commitment to building the next generation workforce.

This year's annual report captures the momentum of the past twelve months. From legislative victories and data-driven insights to regional collaboration and institutional leadership, the work highlighted in these pages reflects the strength of Texas community colleges and the vital role they play in shaping our state's future.

TACC is proud to serve its 49 member colleges and remains steadfast in its mission to support institutional excellence, student success, and a stronger Texas.

OUR VISION

To empower Texas community colleges to transform lives and drive economic growth across our state.

OUR MISSION

To foster collaboration, build partnerships, and advocate for Texas community colleges and the success of their students.





LEGISLATIVE MOMENTUM:

Strength, Strategy, and Outcomes in 2025

The 89th Texas Legislative Session officially adjourned Sine Die on June 2, and the veto period for legislation was June 22nd. TACC is pleased to report a number of meaningful outcomes that reflect the strength, strategy, and unity of the community college sector. Utilizing strong legislative partnerships, and focusing the scope of our political capital, the session resulted in hundreds of millions of new state investment dollars for our sector; expanded outcome recognition; and meaningful improvements to financial aid and workforce alignment.

Furthermore, by using the knowledge and experiences of our members, TACC was able to bring together facts and solutions to many other bills and avoid devastating impacts to community college districts finances and fiscal operations. Our advocacy efforts mirrored the best our sector has to offer to Texas: agility, adaptability, strength in numbers, and local relationships.

This session was significant for continuing to build momentum for our sector. Two years ago, the legislature passed House Bill 8 — a landmark reform that redefined how community colleges are funded in Texas. This session was the first full test of that new model. TACC's goal heading into 2025 was to make sure the promise of HB 8 was fully realized and to ensure the outcomes-based framework continues to work for colleges and the students they serve.

TACC set forward three key legislative priorities at the start of the session:

- 1. Secure a supplemental funding request to recognize colleges outperforming projections under HB 8,
- 2. Support the Texas Higher Education Coordinating Board's formula funding recommendation for the upcoming biennium, and
- 3. Expand transfer outcomes to include students who matriculate to independent and private institutions in Texas.

All three were accomplished.

SUPPLEMENTAL APPROPRIATIONS

\$89.5 million | Texas Community Colleges (FY 2025)

\$100 million | Railroad Commission

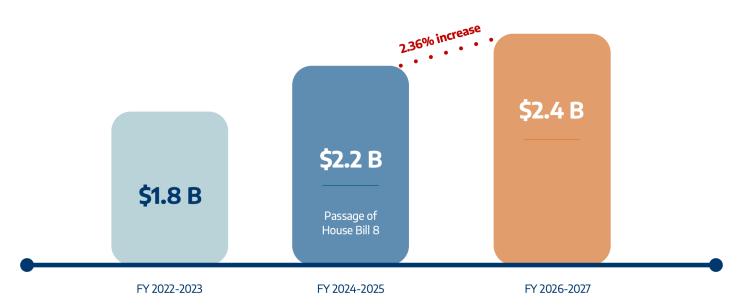
\$135 million | Texas Division of Emergency Management

\$150 million | General Land Office

One of TACC's top priorities this session was securing additional funding for community colleges earned by outperforming initial projections under the outcomes-based funding model established by House Bill 8. That effort was successful, **adding \$89.5 million to FY25 funding for community college formula outcomes** as part of House Bill 500.

FORMULA FUNDING FY 26-27

Formula Funding for Texas community colleges in the upcoming biennium is set at \$2,418,563,947. This total reflects the continued implementation of House Bill 8's outcomes-based funding model including allocations for the Performance Tier and Base Tier for the next two fiscal years.



^{*} Amounts shown in grey boxes reflect additional funding priorities for the state of Texas included in House Bill 500 of the 89th Legislative Session.

The final amount represents a **2.36% increase over the FY 2024–25 appropriation** (including the supplemental funding) and aligns with the funding recommendation submitted by the Texas Higher Education Coordinating Board. The figure incorporates updated certified outcomes, refinements to the forecasting methodology, and anticipates changes to the Credentials of Value (COV) methodology for associate degrees following the passage of Senate Bill 1786.

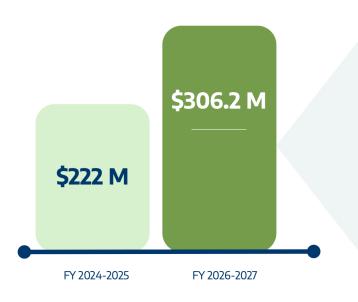
Importantly, this funding recommendation also reflects a key policy change: beginning in FY 2026, transfer students who enroll in private or independent institutions will now be included in the set of fundable outcomes. This update —advanced through SB 1786 — supports more comprehensive recognition of student success and aligns with TACC's priority to ensure all successful transfer pathways are captured under the model.

STUDENT FINANCIAL AID: TEOG & FAST

The Legislature also took important steps this session to strengthen financial aid support for community college students, with increased investments in both the Texas Educational Opportunity Grant (TEOG) and the Financial Aid for Swift Transfer (FAST) program.

Texas Educational Opportunity Grant

TEOG funding for the 2026–27 biennium is set at \$306,185,726. This includes a base amount of \$222 million, consistent with the 2024–25 appropriation, and an additional \$84.2 million to expand the program's reach. The increased investment will allow the state to serve 67.5% of eligible students, aligning with the funding levels approved for Texas Grants and Texas Equalization Grants. This broader reach represents meaningful progress in supporting affordability for low-income students attending community colleges.



TOTAL: \$306,185,726

Funding for:

This includes a base amount of \$222,000,890
— matching the 2024-25 biennium funding — and an additional \$84,184,836 to serve 67.5 percent of eligible students.

Financial Aid for Swift Transfer

The FAST program, created during the 88th Legislative Session, received a substantial funding increase in this biennium. The Legislature approved \$165,165,000 for FY 2026–27 — more than doubling the appropriation from the current biennium. This includes \$78.6 million in FY 2026 and \$86.5 million in FY 2027, with funds drawn from the Foundation School Program.



This increase reflects continued momentum around dual credit and early college access, and provides critical support to students pursuing accelerated transfer pathways.

SENATE BILL 1786

In addition to the budget priorities this session, TACC members had elevated an important policy change to the finance reforms of HB 8. That change was to include transfers to private and independent colleges and universities as a qualifying outcome for funding. This effort ended up being Senate Bill 1786, which builds on the foundation established by House Bill 8 and enhances both the funding model and the state's broader higher education policy framework.

Aside from the inclusion of students who transfer to private or independent institutions in the state's outcomes-based funding calculations, other changes in SB 1786 include efforts aimed at strengthening workforce alignment and refining the Credential of Value (COV) framework:

- Workforce Data Collection and Regional Labor Insights: The Texas Workforce Commission, in coordination with the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA), will now collect more detailed employment data through unemployment insurance reports and publish regional workforce assessments. These insights will help colleges and school districts better align programs with local labor market demands.
- **Tailored ROI Timeframes:** Instead of a one-size-fits-all 10-year ROI, program evaluations will be adjusted via rulemaking to incorporate shorter timelines.

- **Establish Earnings Threshold:** THECB will set the threshold based on a minimum income threshold set by rule relative to the state's individual self-sustaining wage standard (~\$30,000).
- **Flexible Designations for In-Demand Fields:** Critical workforce credentials (healthcare and education) will be statutorily designated even if they fall below standard earnings thresholds.
- **Transitional Language for Short-Term Credentials:** While associate's degrees will immediately fall under the updated COV methodology, all other credentials will fall under a comparable methodology beginning September 1, 2027.

ADDITIONAL LEGISLATION OF INTEREST

Several other bills passed during the 89th Legislative Session that will affect Texas community colleges in various ways:

Nursing Feasibility Study HB 2856 Requires feasibility study by the Texas Higher Education Coordinating Board for scaling up regional databases of clinical nursing rotation slots. **IT Apprenticeship** - Allows associates degree holders with a state IT HB 2768 credential and yearlong apprenticeship to be hired for state agency IT departments at a bachelor's degree pay scale. **State Employment Opportunities** - Requires a Classification Officer in the HB 3923 State Auditor's Office to review state job requirements and remove unnecessary bachelor's requirements. **Governance of Public Institutions** – Representes a significant shift in **SB 37** public education governance. When the bill went to conference committee, they removed language in curriculum review regarding teaching about race, gender, religion. **Restricting Telework** – Restricts remote work for employees of Texas SB 2615 public higher education institutions, permitting telework only under specific conditions. House floor amendment preserved ability to teach dual credit via telework. **HS Grade Point Average** – Requires school districts to weight academic SB 1191 dual credit, advanced placement (AP), and international baccalaureate (IB) classes equally within a student's grade point average (GPA).

As we look ahead to the interim and the 90th Legislative Session, TACC remains focused on ensuring these new investments translate into meaningful outcomes for students. Our advocacy efforts will continue to be grounded in data, informed by our members, and driven by the shared commitment to strengthen the Texas economy through community colleges.





DATA IN MOTION: Insight, Alignment, and Action in 2025

Throughout FY 2025, TACC advanced its commitment to supporting data-informed decision-making by delivering timely reports, analytical tools, and strategic modeling aligned with the evolving needs of its member colleges. In addition to ongoing efforts to support implementation of the new Community College Finance model, the association placed a strong emphasis on both established reporting and new initiatives to address emerging challenges.

A central focus this year was the development of a revised TACC Membership Dues methodology that reflects the structure and intent of the new funding model. In August 2024, the membership approved the formation of a Subcommittee on Membership Dues to examine the current formula and explore potential improvements. Between August 2024 and February 2025, the subcommittee met seven times to review modeling options and deliberate on an approach grounded in equity, transparency, and fiscal responsibility.

In April 2025, the full membership adopted the subcommittee's recommendations, which included the following principles:

- Align total dues collection with the association's budgetary needs.
- Calculate dues on an annual basis.
- Continue using each college's proportion of formula funding, based on the initial Community College Finance model runs.
- Adjust the maximum dues cap incrementally over time.
- Revisit and review the methodology within two years.

This updated model reflects a thoughtful and future-oriented approach to sustaining TACC's operations while aligning more closely with the state's new finance framework.

ANNUAL REPORTS & SECTOR-WIDE RESOURCES

TACC also continued to publish a robust suite of annual reports designed to help member colleges benchmark institutional performance, monitor statewide trends, and assess the broader policy and funding landscape. These reports serve as foundational resources for leaders across the state, offering clear and accessible data to guide college planning, inform board-level conversations, and support strategic decision-making.

In a time of ongoing change across higher education—marked by evolving enrollment patterns, shifting labor market demands, and increasing accountability—these resources are more essential than ever. They not only enhance transparency and alignment across the sector but also empower institutions to tell their stories more effectively and advocate for the needs of their students and communities.



The Fall Preliminary Enrollment & Spring Preliminary Enrollment Reports offer a comprehensive snapshot of statewide enrollment, providing detailed insights into peer and regional groups, student demographics, and student types. This year additional data on dual credit student populations were added to the report. This report is invaluable for understanding enrollment patterns and demographic shifts across the state.



The Local Revenues Report concisely summarizes essential financial data, covering key areas such as tuition and fee rates, dual credit waivers, grants, scholarships, and property and branch taxes. This report is instrumental in assessing the financial health and sustainability of institutions within the sector.



The Dual Credit Tuition & Fees Report presents an in-depth analysis of colleges participating in the FAST program. It outlines the extent to which the colleges cover students' tuition and fees and details the tuition. Additional details on dual credit enrollment were added to the report this year.



The Administrative Salaries Report offers a detailed summary of compensation for key administrative positions within colleges, including presidents, chief financial officers, chief academic officers, chief enrollment officers, chief information officers, and other senior roles. This report enables institutions to assess and align their compensation practices with sector standards, ensuring competitive and equitable salary structures.

These data-driven efforts serve as the foundation for broader institutional transformation. As colleges continue to refine pathways, improve outcomes, and align with workforce needs, TACC's role in providing timely, relevant insight will remain essential to supporting student success across the state.



SHAPING THE NARRATIVE:

Messaging, Media, and Member Engagement

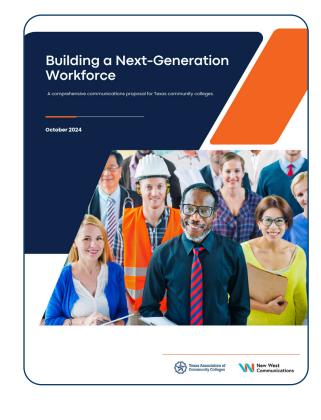
In FY 2025, TACC elevated its communications strategy to ensure the story of Texas community colleges was told clearly, consistently, and with purpose. With major policy shifts underway and public interest in workforce outcomes growing, the association leaned into communications as a critical lever for change—strengthening its narrative, building new tools, and helping its members speak with one voice.

A STRATEGIC FRAMEWORK WITH PURPOSE

At the heart of this year's work was the *Building the Next Generation Workforce* communications plan — a comprehensive strategy that articulates how Texas community colleges are driving economic prosperity, increasing opportunity, and responding to the state's talent needs. Developed over eight months and approved by the full board in October 2024, the plan provides a clear narrative framework grounded in three core messages:

- 1. Community colleges are central to Texas' economic future.
- 2. Outcomes-based funding is working.
- 3. Local colleges are delivering results for real people.

This framework served as the foundation for all communications efforts throughout the fiscal year, offering a strategic lens for both external campaigns and internal member resources.



FROM MESSAGING TO MATERIALS

TACC translated strategy into action by creating a wide range of messaging tools and materials to support member colleges and amplify key policy priorities. From the legislative session to national convenings, these resources helped ensure that community colleges were well-positioned to tell their story. Key resources developed and deployed this year included:

- Updated one-pagers on House Bill 8 and community college finance.
- Legislative talking points tailored for use with elected officials, business leaders, and campus stakeholders.
- A series of PowerPoint slide decks used by TACC staff and college presidents for advocacy, presentations, and briefings.
- Video content, including a short-form campaign video highlighting community college scale and impact.

These tools provided clarity, built alignment, and supported strategic storytelling at every level.



A DIGITAL PRESENCE

This year also saw the development of a new community college finance landing page to centralize campaign resources, legislative updates, and explanatory content. The site became a destination for stakeholders seeking to understand the new funding model and its connection to broader state goals.

At the same time, TACC grew its presence on platforms like LinkedIn, using social media to reinforce key messages and spotlight the innovation taking place across member colleges. The association also maintained its regular cadence of newsletters and legislative updates, providing trusted, timely information to leaders across the state.

In FY 2025, communications was more than a function, it was a strategy. With a unified voice and a clear narrative, TACC helped shift the conversation about community colleges from access to outcomes, from enrollment to impact. This work has laid the foundation for even greater visibility, alignment, and influence in the years ahead.

FUNDING FUTURES:

Community College Finance Regional Summit



REGIONAL COLLABORATION: Implementation & Shared Learning

In FY 2025, TACC, in partnership with the Texas Higher Education Coordinating Board and with support from external consultants, launched the *Funding Futures Regional Summits* to support colleges in the continued implementation of the Community College Finance model established under House Bill 8. These summits were designed to bring together cross-functional college teams to reflect on progress, assess institutional needs, and collaborate with peers and partners on advancing student success efforts in this new funding environment.

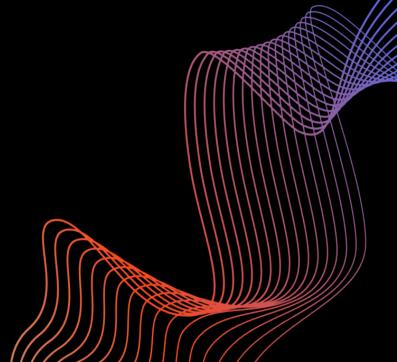
Over the course of four summits held across the state, more than 250 stakeholders—including college leaders, regional workforce representatives, high school partners, and subject matter experts—gathered to explore key topics such as financial modeling, data reporting, workforce program alignment, credentials of value, and institutional change management. Through a combination of plenary sessions, role-alike breakout discussions, and structured action planning, college teams had dedicated time to engage deeply with the new formula and develop strategies tailored to their local context.

Summits were held in San Antonio (September 2024), Dallas (November 2024), Odessa (December 2024), and Houston (January 2025), each tailored to the unique needs and regional dynamics of participating institutions. Attendance at each Summit ranged from 60 to 90 colleges leadership and staff.

Participants examined the data sources driving funding, discussed financial planning approaches under the new model, and shared practical insights into how institutions are evolving their operations, student supports, and partnerships to drive better outcomes. The summits served not only as a technical assistance tool, but also as a forum for peer learning and innovation across the state.

To inform future resources and training, TACC collected information from summit participants on implementation strategies, challenges, and promising practices. These insights will shape the association's continued support for colleges as they refine processes and build institutional capacity under the outcomes-based funding model.

Sept. 30- Oct. 1 | **SAN ANTONIO** | Community College Regional Summit November 6-7 | **DALLAS** | Community College Regional Summit December 5, 2024 | **ODESSA** | Community College Regional Summit January 9-10, 2025 | **HOUSTON** | Community College Regional Summit





DRIVING STUDENT SUCCESS: Reform, Capacity & Results

The Texas Success Center (TSC) continues to serve as a trusted resource and strategic partner for Texas community colleges as they improve student outcomes and respond to state policy priorities. In FY 2025, the TSC supported colleges in translating the goals of the 89th Legislative Session into institutional action. This work builds on nearly a decade of sustained efforts to scale guided pathways and position community colleges as engines of economic mobility.

CLOSING ROUND THREE

This year marked the conclusion of Round Three of *Talent Strong Texas Pathways*. Colleges made measurable progress in scaling whole-college reforms designed to streamline the student experience and connect more learners to credentials of value. Institutions reported significant gains in advising, onboarding, and program mapping—key components of a student-centered framework that supports persistence and goal attainment.

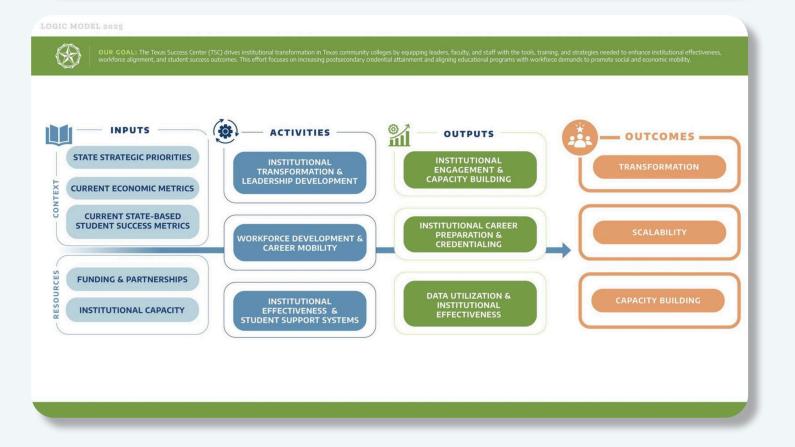
Colleges also deepened their use of data to identify student barriers and implement targeted supports, with guidance from TSC's tools and coaching. These reforms contributed to stronger outcomes statewide and demonstrated institutional readiness to implement performance-based funding with focus and fidelity.

UPDATED THEORY OF CHANGE & LOGIC MODEL

To guide future efforts, the TSC released an updated Theory of Change and Logic Model. These frameworks reflect the evolving landscape of higher education in Texas and clarify how community colleges can accelerate credential completion, transfer success, and workforce outcomes in alignment with state goals.

UPDATED MODELS





WORKFORCE ALIGNMENT & REGIONAL STRATEGY

In response to increasing demand for workforce relevance and regional alignment, the TSC led several targeted initiatives to strengthen connections between college programs and labor market opportunities.

Through *Translating Opportunity Texas*, and in partnership with Student-Ready Strategies and WestEd, the TSC supported four colleges in improving guided pathways for Multilingual Learners of English (MLEs). Participating institutions conducted curriculum mapping, identified course sequencing gaps, and engaged students directly to inform early-stage reform efforts. A second cohort will launch in fall 2025, expanding the reach of this work.

In partnership with the Texas Business Leadership Council and the Business-Higher Education Forum, the *Workforce Partnership Initiative* convened six colleges to align credentials of value with regional workforce demand and scale work-based learning opportunities. Following an April 2024 summit, this initiative will expand in 2025 to include additional institutions committed to deepening regional employer engagement.

The TSC also hosted the first-ever *East Texas Convening*, bringing together eight colleges alongside workforce boards, employers, and economic development leaders. The event focused on strengthening cross-sector collaboration and aligning educational pathways with regional economic priorities.



STRENGTHENING LEADERSHIP AND STUDENT SUPPORT

Leadership development and institutional capacity-building remained central to TSC's mission in 2025. In partnership with the National Center for Inquiry and Improvement (NCII) and the Aspen Institute's College Excellence Program, the TSC hosted the second cohort of the *Texas Leadership Academy*. This year-long program supported 23 fellows from 12 community colleges—many of them emerging leaders—focused on strategic decision-making and transformational change.

In partnership with the Meadows Mental Health Policy Institute, the TSC co-created *Minding College Minds*, a first-of-its-kind mental health framework aligned with guided pathways. Following statewide training in April 2024, thirteen colleges joined Cohort 1 of a multi-year learning community. Participants receive monthly technical assistance and peer learning to build sustainable mental health systems that support student success. Cohort 2 will launch in August 2025.

BUILDING CAPACITY

Throughout the year, the Texas Success Center continued to provide coordinated learning opportunities for trustees, faculty, and institutional teams. These engagements helped colleges navigate policy shifts, strengthen alignment, and remain focused on improving outcomes for every student.

As Texas continues to advance an outcomes-based funding model, the TSC stands ready to help colleges turn policy into practice—ensuring that every student has a clear, supported path to a credential that leads to opportunity and upward mobility.



TRUSTEE LEADERSHIP IN ACTION: Governance, Engagement & Advocacy

This fiscal year, the Community College Association of Texas Trustees (CCATT) turned the page to a new chapter, guided by an updated strategic plan and renewed momentum to elevate trustee leadership across the state. Adopted by the CCATT Board in October 2024, the revised *Focus Forward* plan sets priorities through 2028 to strengthen advocacy efforts, deepen trustee engagement, and support effective local governance of Texas community colleges.

TRUSTEE EDUCATION

Supporting ethical, data-informed governance remains central to CCATT's work. The 2024 CCATT Annual Conference brought trustees together under the theme *Collaborative Connections: Community College Governance & K-12 Partnerships*, showcasing local partnerships at Amarillo College and AmTech Career Academy and addressing topics like navigating performance-based funding and fostering dignity in higher education.

CCATT offered the New Trustee Orientation twice, in person at September's conference and virtually in January, to ensure new board members were equipped with essential knowledge about their role and responsibilities. In September, CCATT launched a new partnership with Sova to develop asynchronous learning modules about data-informed governance, with the first modules set for release at the 2025 CCATT Annual Conference.



TRUSTEE ENGAGEMENT

Following the strategic plan update, CCATT began a new approach to trustee outreach and communications. The annual membership survey was paused to allow for a full-scale assessment after the launch of a new Salesforce CRM system, which will modernize how CCATT tracks and supports trustee engagement.

At the ACCT Leadership Congress in Seattle, CCATT hosted a Texas Delegation Reception and presented a session on the Data-Informed Governance Framework for Trustee Decision-Making, highlighting insights gained through our grant-funded work. CCATT also hosted two meetings of the Chairs Council this year, fostering dialogue among board chairs on how to address shared challenges.



TRUSTEE ADVOCACY

CCATT continued collaborative advocacy efforts at both the state and federal levels. At the ACCT National Legislative Summit, CCATT hosted the Texas Delegation Breakfast and, for the first time, a luncheon on Capitol Hill to strengthen connections with legislators and their staff. The Texas Delegation met with Senator John Cornyn, and a smaller group of CCATT leaders met with staff from Senator Ted Cruz's office. CCATT also engaged with Representative Randy Weber, who spoke at the Congressional Community College Forum in February and received the AACC 2025 Outstanding Alumni Award in April.

In Texas, CCATT partnered closely with TACC during the 89th Legislative Session, with the Joint Legislative Committee meeting monthly and additional coordination occurring through more frequent meetings between CCATT Board members and TACC staff to align advocacy efforts for our shared policy priorities. CCATT Board Chair Susan Moore-Fontenot delivered testimony in support of Senate Bill 1786, and many trustees joined in Community College Day at the Capitol, reinforcing our united commitment to student success.

A major milestone for CCATT was publishing the Community College Data Advocacy Toolkit, designed to help trustees share impactful, data-informed stories about their colleges.

Looking ahead, CCATT is excited to engage with boards across Texas to support the effective use of these resources and encourage year-round advocacy with policymakers at every level.



LOOKING AHEAD:

The Interim & Prepping for the 90th Session

Following the 89th Regular Legislative Session, TACC now turns its focus to implementation. Key outcomes—including changes to transfer metrics, expanded financial aid investments, and refinements to the Credential of Value framework—will shape the months ahead. While some updates reaffirm the direction established by House Bill 8, others introduce new elements that require thoughtful coordination, ongoing analysis, and clear communication.

TACC remains committed to supporting colleges throughout this interim period. Our efforts will center on providing implementation guidance, institutional support, and tools that help colleges navigate change effectively. We will continue to foster collaboration among member institutions and work closely with the Texas Higher Education Coordinating Board to ensure transparency and alignment on shared priorities.

With a forward-looking perspective, TACC and the Texas Higher Education Coordinating Board (THECB) will convene a Certificate Programs Task Force to examine how the Credential of Value framework applies to short-term credentials. The task force will develop recommendations to refine the existing framework and methodology to improve clarity, relevance, and consistency in the evaluation of certificate programs offered by Texas community colleges.

While TACC's primary focus remains on state policy, we will continue to monitor federal legislation, executive actions, and regulatory changes that may impact institutions and students. When appropriate, TACC will engage in federal advocacy efforts and ensure members are kept informed of developments with potential implications for higher education in Texas.

The 89th Regular Legislative Session reaffirmed what Texas community colleges have long demonstrated: when community colleges come together with a shared vision and speak with one voice, the state responds.

The results of this year's legislative session reflect not just meaningful policy change, but the enduring strength of unified leadership, informed advocacy, and collective action.

