



# ADDRESSING THE CHALLENGES OF THE NEXT LEGISLATIVE SESSION

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Rey Garcia, President & CEO

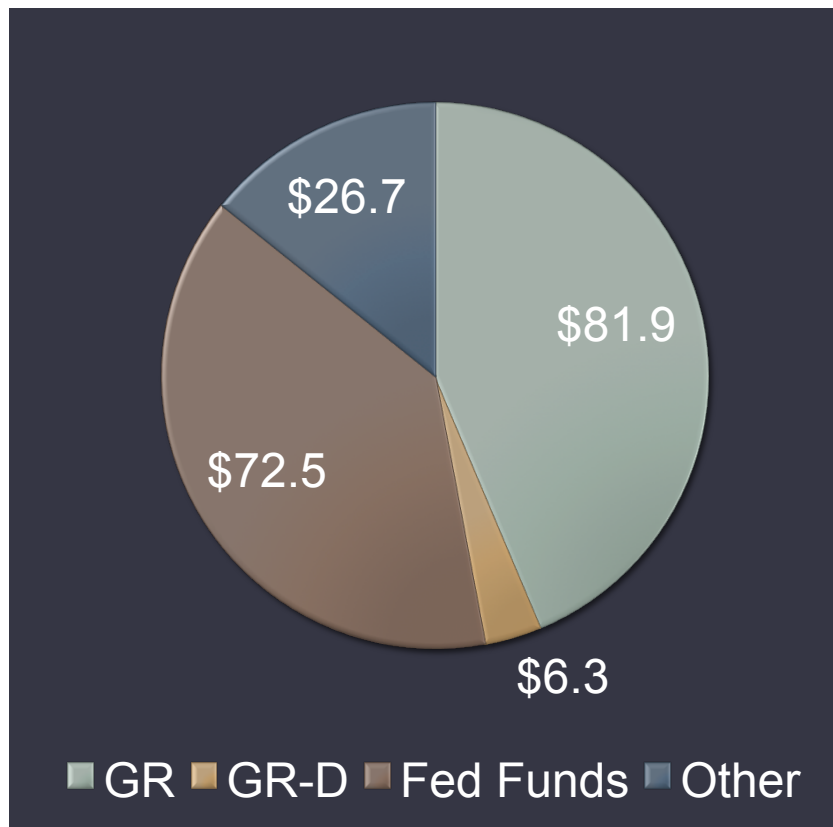
Texas Association of Community Colleges

# Outline

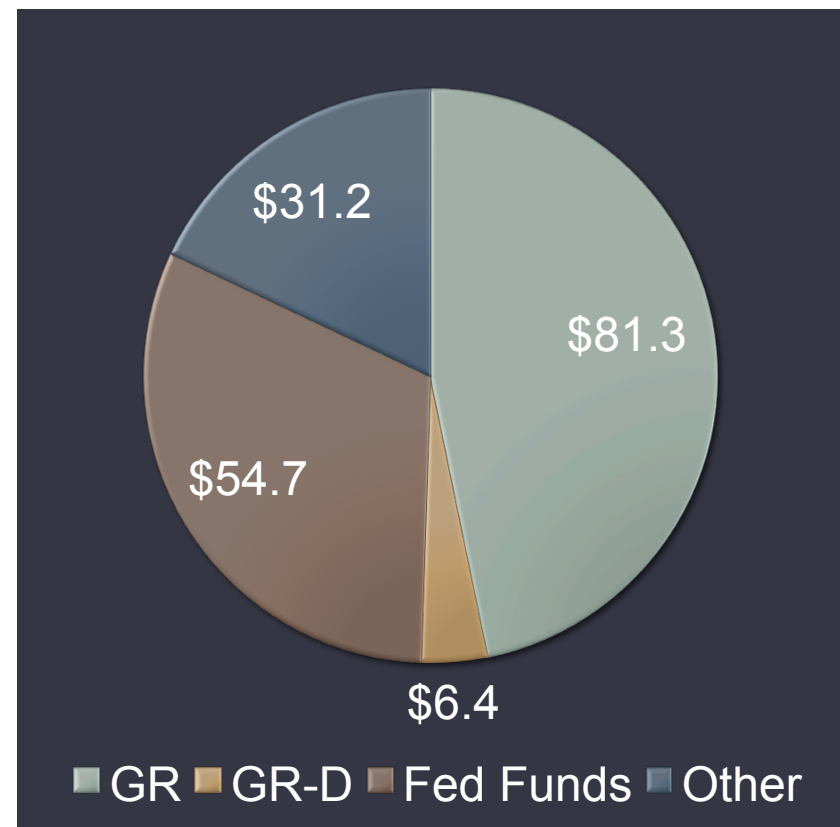
- Where are we and how did we get here?
- A changing state: Looking into the demographic crystal ball
- Setting the sails in the economic winds
- Writing the 2014-15 budget: Three Issues
- Public Policy Pressures
- TACC Response
- Questions

# All Funds Expenditures

2010-2011: \$187.5 billion



2012-13: \$173.4 billion



## Expenditures (in billions)

	2010-11	2012-13	
<b>All Funds</b>	<b>\$187.5</b>	<b>173.4</b>	<b>-7.5%</b> <b>(\$14.032)</b>
Public Education	\$50.265	\$47.433	-5.6% (\$2.83)
Art. II (H&HS)	\$65.465	\$55.426	- 15.3% (\$10.037)
Higher Education	\$20.319	\$19.845	-2.3% (\$.474)

# Legislative Response to Fiscal Challenge:

## 2011 Legislative Session (in billions)

Estimated Gap Between Available Revenue & Current Service Demands	\$27.0
<b><u>Subtotal, Closing the 2011 Shortfall</u></b>	<b><u>\$4.4</u></b>
Spending Cuts	\$1.2 (65% from higher education)
Rainy Day Fund	\$3.2
<b><u>Subtotal, Closing the 2012-13 Shortfall</u></b>	<b><u>\$22.6</u></b>
<b>Revenue Solutions</b>	<b>\$5.0</b>
Increase Recurring Revenue	\$0.7
Create One-Time Revenue	\$1.4
Improved Revenue Estimate	\$1.9
Certain funding contingent on better revenue collection	\$1.0
<b>Spending Solutions</b>	<b>\$17.6</b>
Reduce funding to public schools	\$4.0
Defer 2013 public school payment	\$2.3
Medicaid Cost Containment	\$1.8
Underfund Medicaid in 2013	\$4.3
Other spending cuts	\$5.2
<i>Source: Legislative Budget Board</i>	

# DEMOGRAPHIC CHANGES

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*Destiny is no matter of chance. It is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved.*

William Jennings Bryan

# A Growing State

- **Texas has added 4.35 million new people since 2000**
  - An increase of 20.6% (from 20.8 million to 25.15 million)
  - The largest numeric increase of any state
- **Majority of growth came from Hispanic increases**
  - In 2000, those 25 and under:  
42.8% Anglo / 40.4% Hispanic
  - In 2010, those 25 and under:  
35.2% Anglo / 46.8% Hispanic
  - In 2040, those 25 and under:  
19.4% Anglo / 67.1% Hispanic

# Enrollments in Public Schools

	1999-2000	2009-2010	Change
<b>Total Enrollment</b>	<b>4,002,227</b>	<b>4,847,844</b>	<b>21.1%</b>
Anglo	1,727,733	1,615,459	(6.5%)
Hispanic	1,582,538	2,354,042	48.8%
African American	576,977	679,351	17.7
Other	114,979	198,992	73.1
<b>Total Economically Disadvantaged</b>	<b>1,956,000</b>	<b>2,852,177</b>	<b>45.9%</b>
Anglo	359,510	443,933	23.5%
Hispanic	1,190,363	1,866,376	56.8%
African American	369,393	475,994	28.9%
Other	36,734	66,874	82%



# Where We Live Matters

- **56% of total population lives in largest 10 counties**
  - 64% live in the largest 15 counties
  - Of the 15 largest counties only one (El Paso County) is west of I-35 Corridor
- **Just 10% of state population lives west of the I-35 Corridor**
  - Of these - 80% live in one of the 7 Metropolitan Statistical Areas
- **13 Public Community Colleges / 6 Public Universities in this geographic region**

# ECONOMIC WINDS

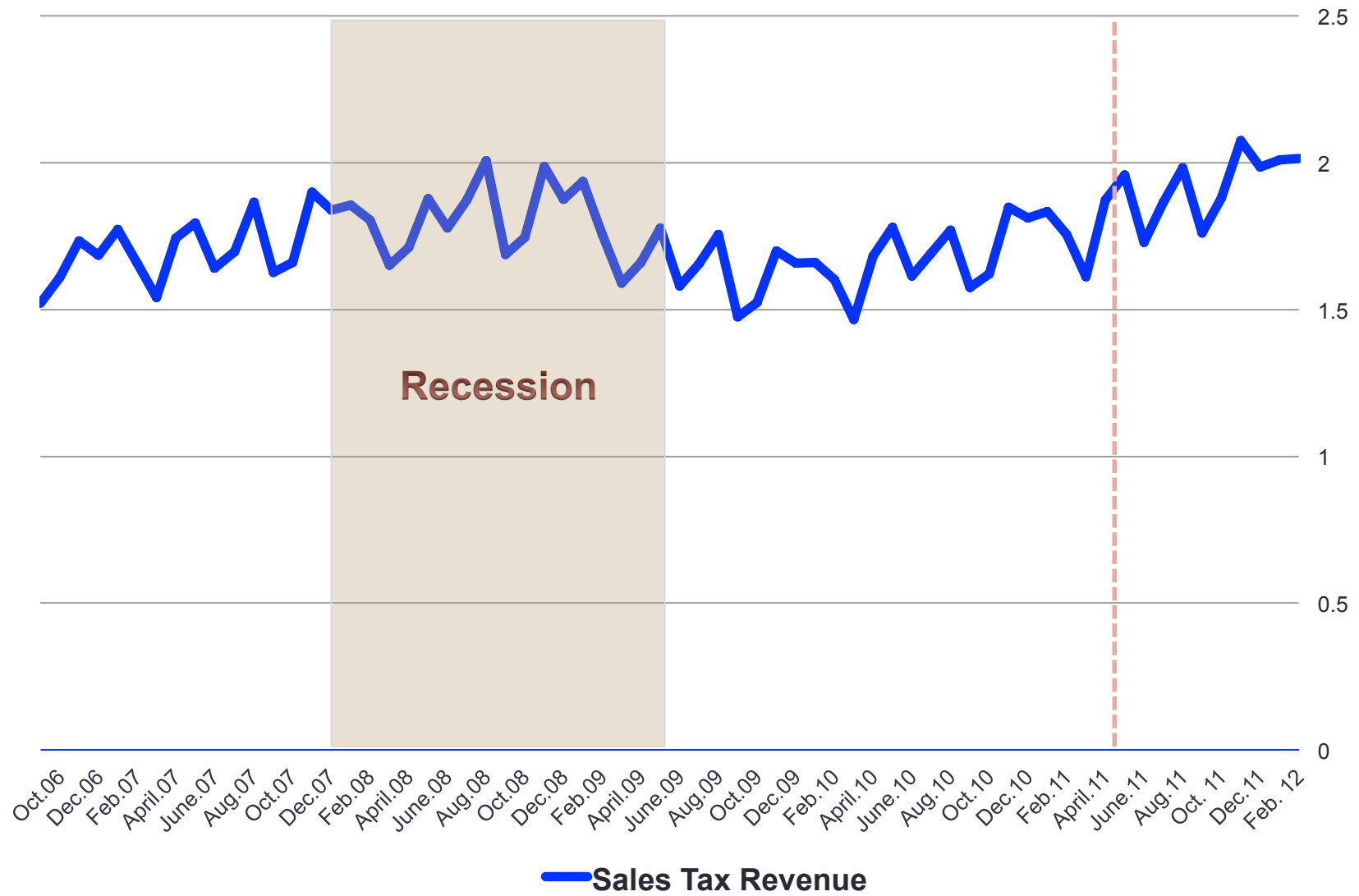
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The wind at our backs?

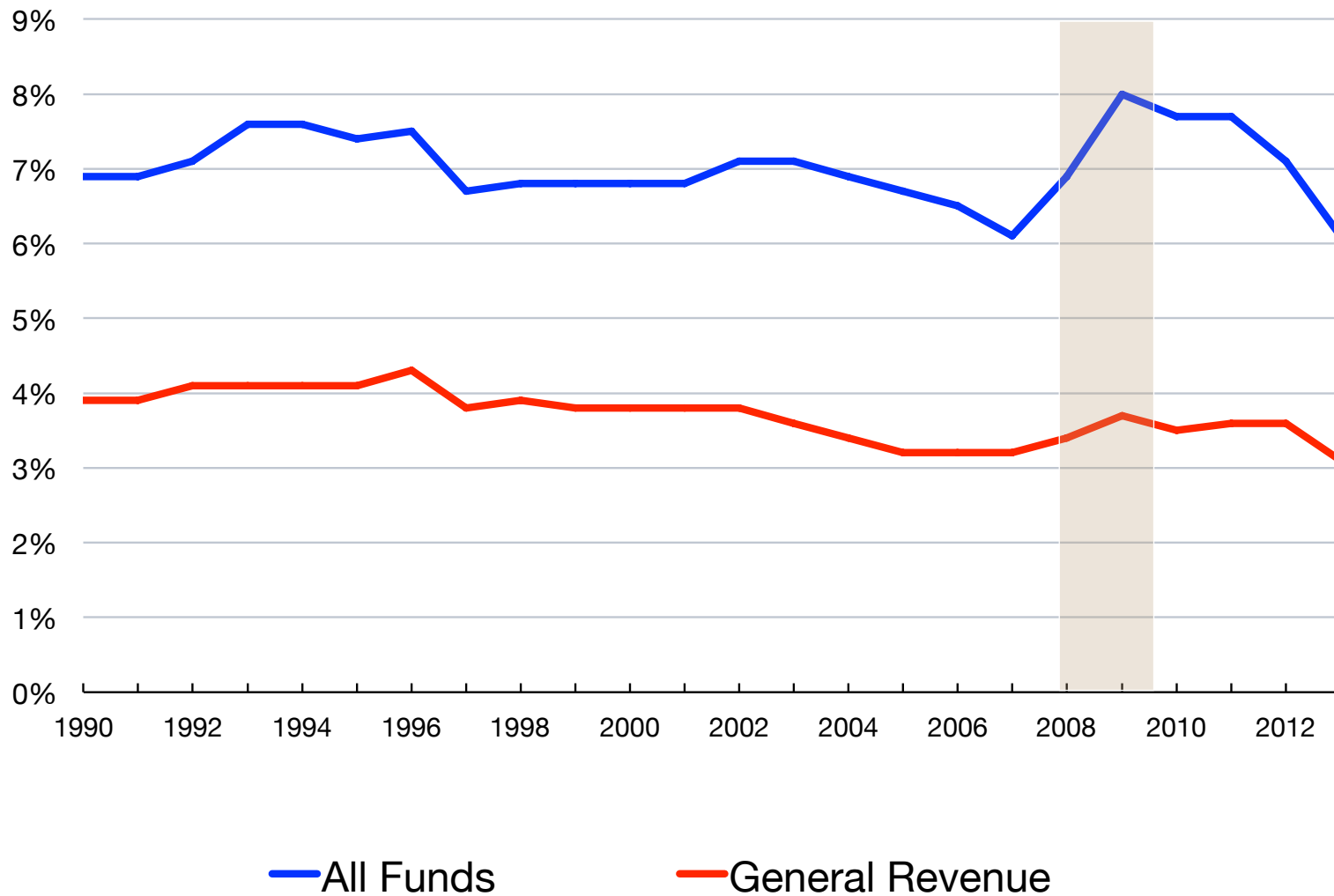
# Economic Indicators are Mostly Positive

- **6.9%** - Latest Texas unemployment rate
  - Peaked in the Fall of 2010 at 8.3%
- **10.76 million** – Non-farm employment
  - Up from a low of 10.21 million in the Fall of 2009
- **Texas Leading Index up 21% since low point in 03/2009**  
(Texas value of the dollar, U.S. leading index, real oil price, well permits, initial claims for unemployment insurance, Texas stock index, help-wanted index and average weekly hours worked in manufacturing)
- Mortgage foreclosures down **40%** from one year ago
- Consumer Confidence Index is up **17.3%** from one year ago

## Sales Tax Revenue (in billions)



## State Spending: % of State GDP

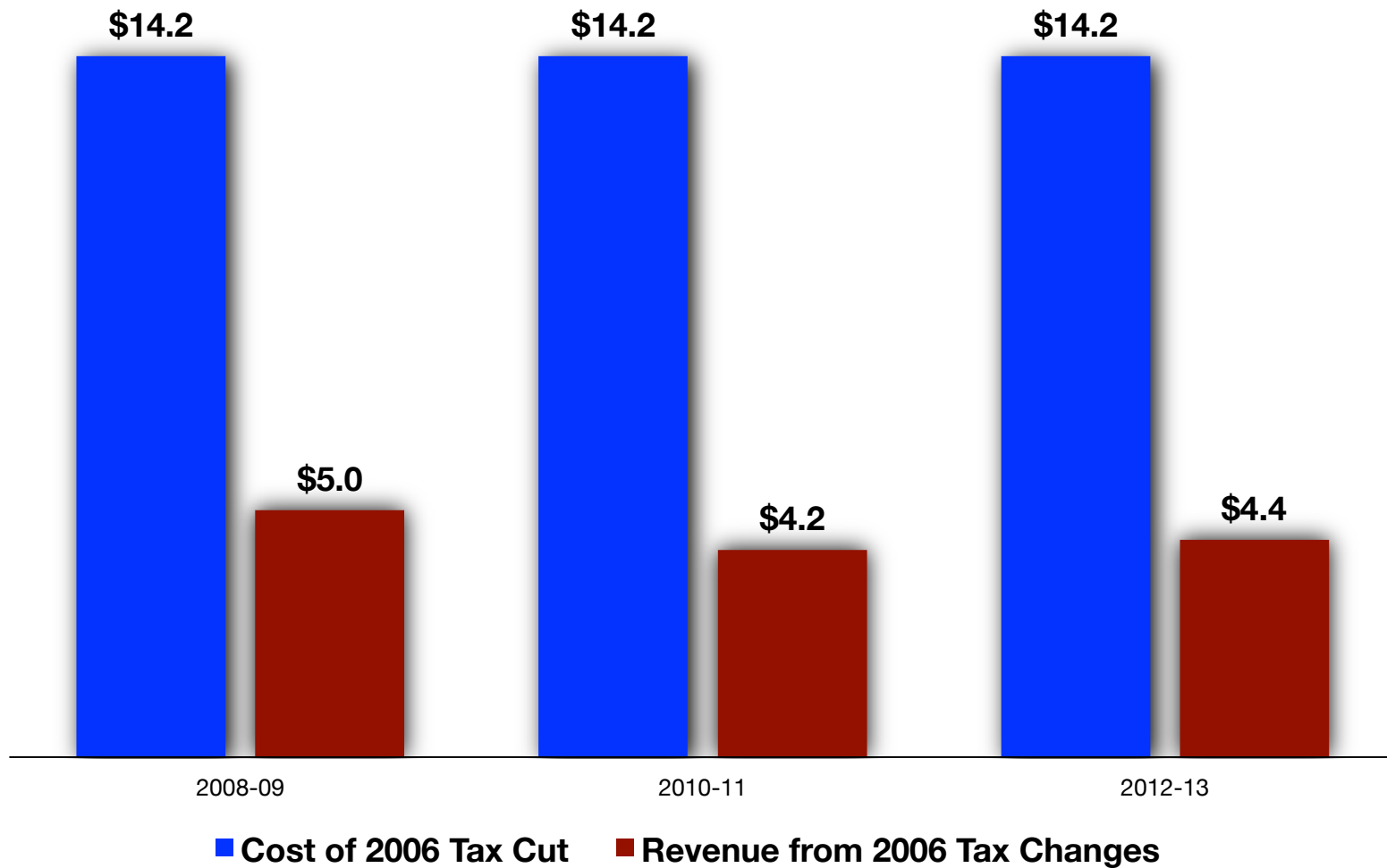


# THREE MAJOR CHALLENGES FOR BUDGET WRITERS

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Limits to constructing future Texas budgets

# Structural Deficit (in billions)



# Public Education

- **Per student funding has declined significantly**
  - Texas spends \$8,908 per student in the current school year.
    - This is a decline of \$538 from the 2010-11 school year
  - Current national average \$11,463 per student
- **Continued enrollment increases driving costs**
- **Lawsuits**
  - Property Tax: All five argue that local boards have no choice but to raise taxes
  - Adequacy: First four argue that the funding provided by the Legislature does not adequately fund public education in Texas.
  - Efficiency: TREE group argues that current system is rife with bureaucratic waste.



# Medicaid

- **\$23.3 billion** - What Texas spent in all funds on Medicaid and the Children's Health Insurance Program (CHIP) in FY 2009
  - **95%** of this amount was spent on Medicaid
  - **\$7.6 billion** was state revenue
- **3.4 million** – The current number of Medicaid caseloads
- **6.2 million** - The number that Healthcare Reform will add to Medicaid by 2020 (Texas Comptroller)
- **78%** - The amount Medicaid enrollments grew from FY1999 to FY2009
- Medicaid population mostly “Non-disabled children”
  - **53%** of all beneficiaries
  - But only **29%** of all Medicaid spending



# PUBLIC POLICY CHALLENGES FOR COMMUNITY COLLEGES

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The call of the Student Success Agenda

# Pressure to Improve Results



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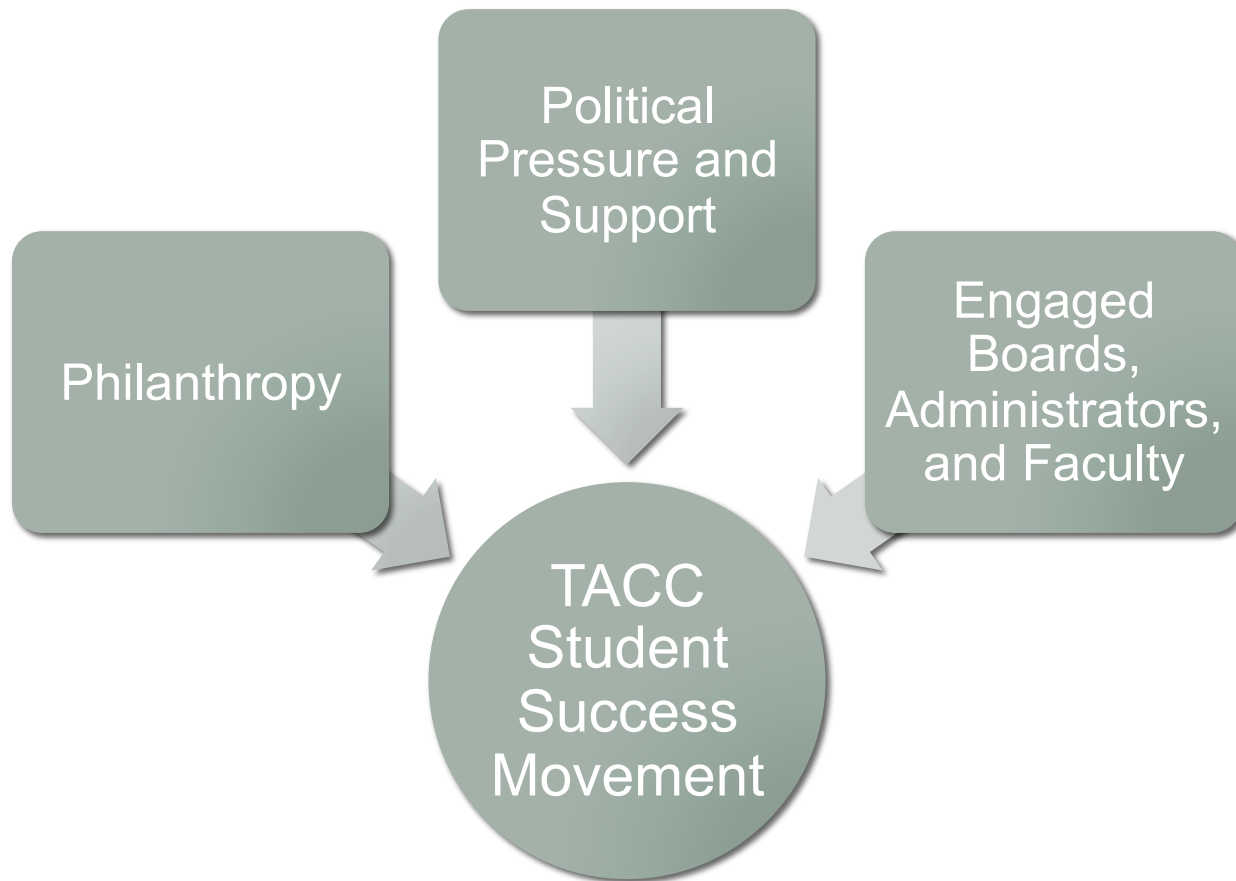


# TAKING OWNERSHIP OF THE SUCCESS MOVEMENT

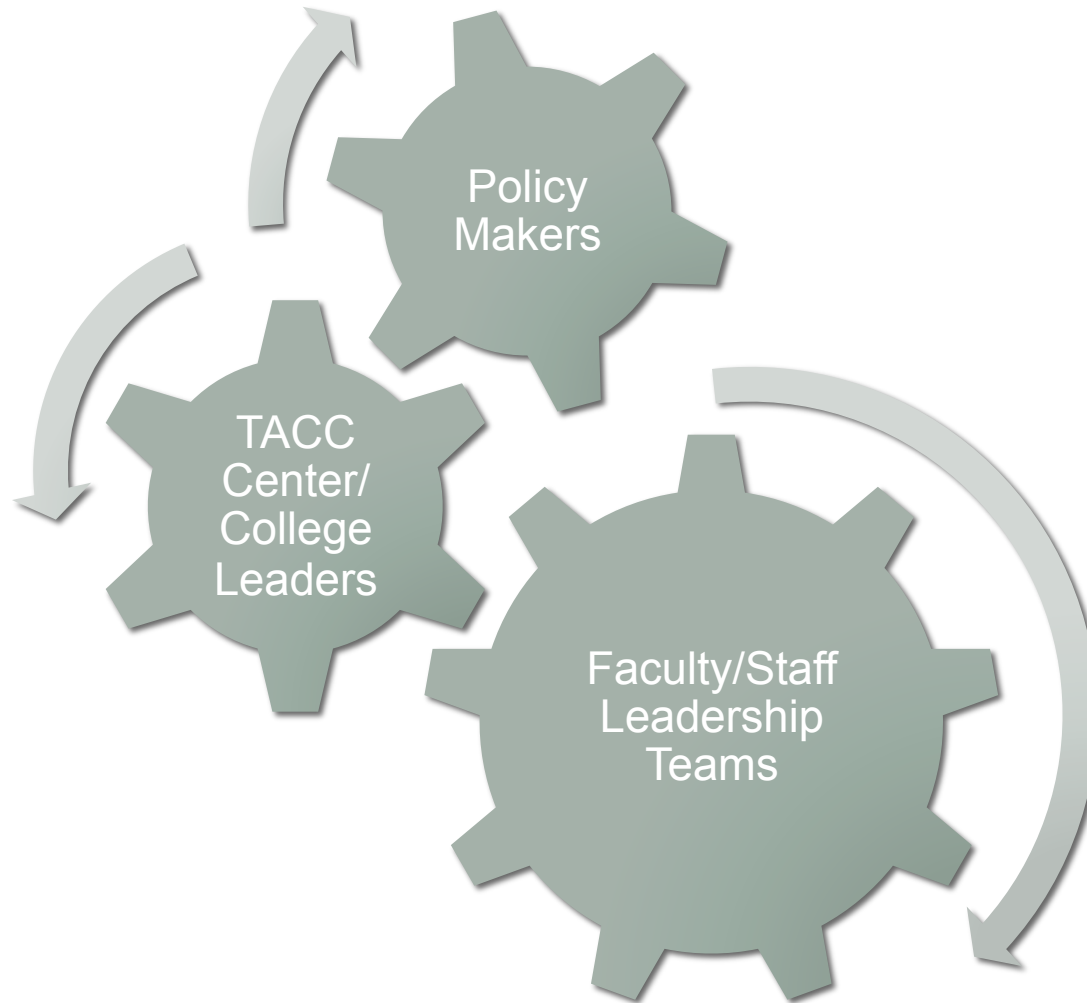
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The TACC Student Success Agenda

# Factors Leading to Potential Solutions

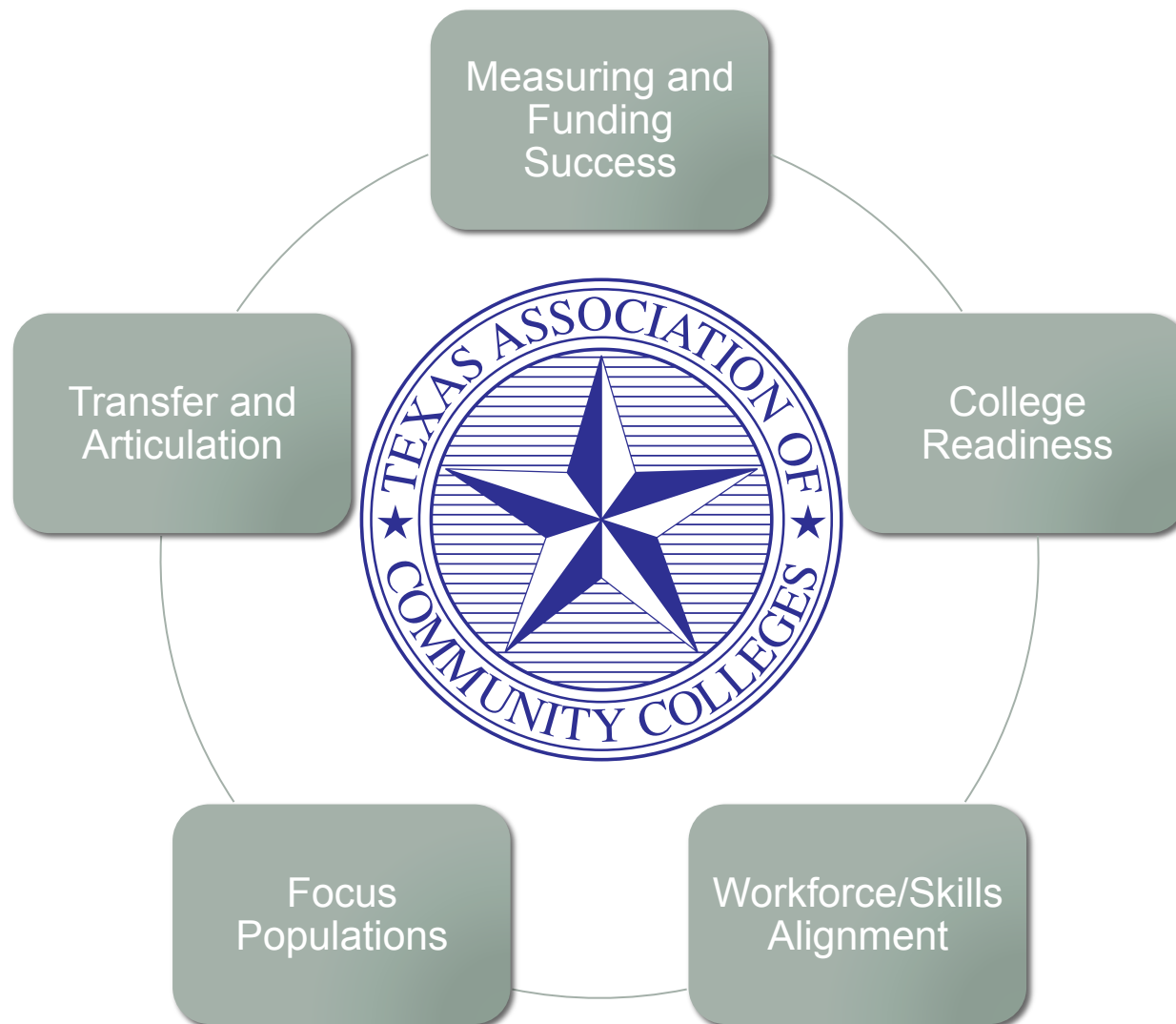


## TACC Student Success Center: Leadership Team Engagement Model





# TACC Student Success Movement



# CHANGING THE LEGISLATIVE CONVERSATION

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A new partnership for Student Success

# TACC Legislative Agenda:

## Student Success – Five Point Plan

- Measure and Fund Success (about \$2 billion/\$200 million increase over last biennium/lower than CB request)
  - Base Funding for Colleges (\$500 K per year)
  - Enrollment Based Funding
  - Student Success Point Funding (10% of total)
  - Employee Benefits
- College Readiness (Developmental Education)
- Transfer and Articulation
- Workforce
- Focus Populations (Veterans, Adult Basic Education, ESL)

# Student Success Points

## Coordinating Board's Recommendation for Two-Year Colleges

Institutions would earn momentum points for the number of students annually completing each of the following metrics. Funding would be allocated to an institution in proportion to its share of the total momentum points earned statewide.

- **Developmental Education:** Points awarded for completion of development education in math, reading and writing.
- **Gateway Courses:** Points awarded for completion of first college level math and college level English course.
- **College Credit Hour Attainment:** Points awarded when student completes first 15 college credits; first 30 college credits; and for completion of core curriculum.
- **Credentials Awarded:** Points earned for students completing an associate degree, certificate or apprenticeship. Also bachelor's degrees to those community colleges offering bachelor's degrees.
- **Transfers to a Four Year Institution:** Points awarded for students transferring to a general academic institution after having completed 15 hours of coursework.

The Coordinating Board does not recommend two momentum points included in the Formula Advisory Committee proposal: a basic skills category to include attainment in ABE, GED and high school graduation, and completion of an English as a Second Language sequence. The Coordinating Board does not have sufficient data to certify institutional performance on these measures.

# Student Success Points

## TACC

- Implement 2013-14
- 10% of Total
- Specific Points Under Review by Metrics Committee
- Funding based on 3-year average

## Coordinating Board

- Implement 2013-14
- 10% of Total
- Specific Points described above
- Funding based on annual performance

# MAKE A COMMITMENT

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College and Personal Investment in our cause

# College Commitments

- State of TACC is changing and taking more responsibility for the success agenda. This change is requiring some short term investments to create a new structure for long-term success (Radical Action Now)
  - Public Relations Campaign
  - New Mathways Project
  - Cooperative Purchasing Network
- Changing college culture and conversation beyond a series of initiatives to a full-scale movement

# Personal Commitments

- Get and stay informed; Get and stay involved



**Texas Association of Community Colleges  
Advocates Network**



# Questions

