Texas Community Colleges: Legislative Appropriation Request

September 13, 2018

Jacob Fraire, President & CEO, Texas Association of Community Colleges

“Bill” Greenhill, JD, Trustee, Tarrant County College
Chairman, Community College Association of Texas Trustees

Brenda Hellyer, Ed.D., Chancellor, San Jacinto College District
Chair-Elect, Texas Association of Community Colleges
### Texas Community Colleges Serve the State at Scale

#### Community Colleges Are the Largest Sector of Texas Higher Education

<table>
<thead>
<tr>
<th>Institution</th>
<th>Fall 2017 Enrollment</th>
<th>% of Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Colleges</td>
<td>706,904</td>
<td>46.1%</td>
</tr>
<tr>
<td>Texas State Technical College</td>
<td>12,226</td>
<td>0.8%</td>
</tr>
<tr>
<td>Lamar State Colleges</td>
<td>7,569</td>
<td>0.5%</td>
</tr>
<tr>
<td>Public Universities</td>
<td>651,137</td>
<td>42.5%</td>
</tr>
<tr>
<td>Public Medical Institutions</td>
<td>25,031</td>
<td>1.6%</td>
</tr>
<tr>
<td>Private Institutions</td>
<td>129,633</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

Source: THECB
Texas Community Colleges Serve the State at Scale

Community Colleges Reach a Diverse and Underserved Population

Enrollment reflects the diversity of Texas

- Hispanic: 44%
- White: 32%
- African-American: 13%
- Asian: 5%
- International: 3%
- Other: 3%

Community colleges serve students of all ages

- < 18: 20%
- 18 - 21: 40%
- 22 - 29: 24%
- 30+: 16%

Community colleges enroll 72% of minority freshmen & sophomores in Texas

Source: THECB
Surveying the Legislature:

TACC contracted with Trellis Research to conduct a survey of Texas state legislators and their chiefs of staff in order to assess opinions and level of satisfaction with the TACC and community colleges themselves.

The survey was composed of an anonymous three-week campaign created through collaboration between Trellis Research and TACC.

Participants were overwhelmingly satisfied with their local college.

*On Committee include: House Committee on Higher Education, House Committee on Appropriations, Senate Committee on Higher Education, or Senate Finance Committee. Legislators on more than one committee were only counted once.
Formula Recommendations for Community Colleges for the
FY 2020-2021 Biennium

The FY 2020-2021 formula recommendations adopted by the TACC Board and the CCATT Board are fully aligned with the formula recommendations adopted by the Community & Technical Colleges Formula Advisory Committee and the THECB. The recommendations are an increase of $144.8 M, to $1,912.2 M for the biennium. This funding level will enable the colleges to meet the goals of 60x30TX. The recommendations include the following priorities:

1. Fund an increase based on projected growth in contact hours and success points, adjusted 1.7% for inflation.
2. Fund the contact hour formula at a rate of $5.49 per contact hour for the biennium.
3. Fund success points at $215 per point. This is a 25% increase from the current rate of $172.
4. Maintain the funding level for core operations at $1.36 million per district for the biennium.
5. Maintain the current funding level for the Bachelor of Applied Technology for the four community colleges eligible for this funding, adjusted for projected growth.
6. THECB will submit these recommendations to the LBB in preparation for the upcoming 86th Legislative Session.
<table>
<thead>
<tr>
<th>Formula</th>
<th>FY 2018-019 Biennium ($ in Millions)</th>
<th>Formula Advisory Committee Recommendations ($ in Millions)</th>
<th>THECB Recommendations ($ in Millions)</th>
<th>TACC Board &amp; CCATT Board Recommendations ($ in Millions)</th>
<th>Recommended Increase Compared to FY 2018-2019 Biennium ($ in Millions)</th>
<th>% Increase from FY 2018-2019 Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Operations</td>
<td>$68.0</td>
<td>$68.0</td>
<td>$68.0</td>
<td>$68.0</td>
<td>$0.0</td>
<td>0%</td>
</tr>
<tr>
<td>Contact Hours</td>
<td>$1,516.6</td>
<td>$1,599.8</td>
<td>$1,599.8</td>
<td>$1,599.8</td>
<td>$83.2</td>
<td>5.5%</td>
</tr>
<tr>
<td>Bachelor of Applied Technology (BAT)</td>
<td>$2.8</td>
<td>$3.0</td>
<td>$3.0</td>
<td>$3.0</td>
<td>$0.2</td>
<td>8.3%</td>
</tr>
<tr>
<td>Student Success Points</td>
<td>$180.0</td>
<td>$241.3</td>
<td>$241.3</td>
<td>$241.3</td>
<td>$61.4</td>
<td>34.1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,767.4</td>
<td>$1,912.2</td>
<td>$1,912.2</td>
<td>$1,912.2</td>
<td>$144.8</td>
<td>8.2%</td>
</tr>
</tbody>
</table>
When combined with local ad valorem resources and tuition and fee revenue, the requested state funding will:

- Provide Community Colleges the capacity to help Texas meet the goals of 60x30TX
- Continue investments across our campuses in
  - Improved campus safety
  - Dual Credit & Early College High Schools, including CTE Dual Credit
  - Workforce development & Continuing Education opportunities
  - Advising & student success initiatives
  - Affordability
  - Innovations such as Guided Pathways and 8-week courses
“Bill” Greenhill, JD, Trustee, Tarrant County College, Chairman, Community College Association of Texas Trustees
THE OVERARCHING GOAL: 60x30
By 2030, at least 60 percent of Texans ages 25-34 will have a certificate or degree.

THE SECOND GOAL: COMPLETION
By 2030, at least 550,000 students in that year will complete a certificate, associate, bachelor’s, or master’s from an institution of higher education in Texas.

THE THIRD GOAL: MARKETABLE SKILLS
By 2030, all graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.

THE FOURTH GOAL: STUDENT DEBT
By 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.
GOAL 4: STUDENT DEBT

• Texas Community Colleges Are Exceeding the 60X30TX Debt Goal
• Majority of community college graduates finish with zero loan debt, those who do carry relatively low debt loads.

<table>
<thead>
<tr>
<th>Award</th>
<th>% With Debt</th>
<th>Average Debt</th>
<th>% of 1st Year Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>27%</td>
<td>$14,248</td>
<td>32.2%</td>
</tr>
<tr>
<td>Associate’s</td>
<td>34%</td>
<td>$16,780</td>
<td>42.4%</td>
</tr>
<tr>
<td>Bachelor’s (Public 4-Year Institutions)</td>
<td>60%</td>
<td>$30,516</td>
<td>71.4%</td>
</tr>
</tbody>
</table>
Texas community colleges have 3 sources of revenue to support delivery of education and workforce development:

- State Appropriations
- Local Ad Valorem Property Taxes
- Student Tuition & Fees

State support helps keep tuition at Texas community colleges the 3rd lowest in the United States:

### Average Tuition & Fees

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>California</td>
<td>$1,246</td>
</tr>
<tr>
<td>2</td>
<td>New Mexico</td>
<td>$1,553</td>
</tr>
<tr>
<td>3</td>
<td>Texas</td>
<td>$2,017</td>
</tr>
<tr>
<td>4</td>
<td>Arizona</td>
<td>$2,061</td>
</tr>
<tr>
<td>50</td>
<td>New Hampshire</td>
<td>$6,999</td>
</tr>
</tbody>
</table>

Source: THECB

![Community College Revenue Sources, 1986-2016](chart.png)
Three Primary Sources of Operational Revenue, FY 2015

*Funds not included in this analysis are: restricted ad valorem taxes, federal grants & contracts, Title IV pass-through to students, and auxiliary/other funds.
Brenda Hellyer, Ed.D., Chancellor, San Jacinto College District, Chair-Elect, Texas Association of Community Colleges
Recovering from Hurricane Harvey

**Facilities.** Campuses hit the hardest by the hurricane endured extensive water damage to buildings, parking structures, and student athletics fields. In some cases, cleanup and reconstruction efforts will take more than a year to complete.

**Enrollment.** Certain community colleges experienced enrollment declines, including declines in dual credit enrollment, due to students being displaced by the hurricane. The enrollment declines are resulting in losses in tuition and fee revenue and could result in losses in formula funding to the extent that the lower enrollment numbers continue through the base period.

**The Community College Response:**
- Extended tuition payment plan deadlines
- opened or expanded food pantries for students and families
- offered counseling to students, faculty, and staff
- volunteered at shelters
- provided medical care for animals rescued by emergency responders
- supported debris clean-up efforts
Performance Based Funding at Texas Community Colleges:

Student Success Point Model

**College Readiness**
- Complete math DE = 1 point
- Complete reading DE = .5 point
- Complete writing DE = .5 point

**First College-Level Course**
- Pass 1st college math course = 1 point
- Pass 1st college reading course = .5 point
- Pass 1st college writing course = .5 point

**Credentials Awarded**
- Degree/Certificate Awarded = 2 points
- Critical Field = 2.25

**Progress to Credential**
- Complete 15 semester credit hours = 1 point
- Complete 30 semester credit hours = 1 point

**Transfer**
- Transfer to university after completing 15 semester credit hours = 2 points

**Student Success Points 3-Year Average:**
- FY 10-11-12: 973,559
- FY 11-12-13: 980,719
- FY 12-13-14: 982,340
- FY 13-14-15: 1,009,516
- FY 14-15-16: 1,048,949
### Dual Credit Profile at Texas Community Colleges

- Dual credit participation increased 57% from fall 2007 to fall 2017.
- Community colleges served 91% of dual credit enrollments in fall 2017.
- Dual credit represented 10% of all higher education enrollment in fall 2017.
- 10% of all high school students and 20% of all high school graduates enrolled in dual credit.
- 93% of high schools in Texas offered at least one dual credit course in the 2015-16 academic year.
- 19.4% of all Community and Technical College enrollment is among dual credit students.
- 15% of all dual credit courses are in Career and Technical Education (CTE)

#### Dual Credit Enrollment by Institution Type, Fall 2007-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Community Colleges</th>
<th>Universities</th>
<th>TSTCs and Lamars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2,332</td>
<td>2,617</td>
<td>2,322</td>
</tr>
<tr>
<td>2008</td>
<td>4,289</td>
<td>3,215</td>
<td>4,289</td>
</tr>
<tr>
<td>2009</td>
<td>4,787</td>
<td>3,759</td>
<td>4,787</td>
</tr>
<tr>
<td>2010</td>
<td>2,335</td>
<td>4,484</td>
<td>2,335</td>
</tr>
<tr>
<td>2011</td>
<td>2,367</td>
<td>4,176</td>
<td>2,367</td>
</tr>
<tr>
<td>2012</td>
<td>2,167</td>
<td>3,678</td>
<td>2,167</td>
</tr>
<tr>
<td>2013</td>
<td>2,220</td>
<td>4,470</td>
<td>2,220</td>
</tr>
<tr>
<td>2014</td>
<td>2,173</td>
<td>5,191</td>
<td>2,173</td>
</tr>
<tr>
<td>2015</td>
<td>1,994</td>
<td>7,455</td>
<td>1,994</td>
</tr>
<tr>
<td>2016</td>
<td>2,653</td>
<td>8,872</td>
<td>2,653</td>
</tr>
<tr>
<td>2017</td>
<td>2,973</td>
<td>10,448</td>
<td>2,973</td>
</tr>
</tbody>
</table>

Source: THECB
Texas Community Colleges are the Leader in Workforce Education

Community Colleges Awarded 93% of All Technical Certificates & Associate Degrees in Texas (FY 2017)

93%

Total Annual Technical Certificates & Associate Degrees Awarded

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>24,750</td>
</tr>
<tr>
<td>2010</td>
<td>37,263</td>
</tr>
<tr>
<td>2017</td>
<td>54,630</td>
</tr>
</tbody>
</table>

Source: THECB
Top Technical Associate Degrees Awarded in 2017
1. Registered Nurse
2. Business Administration and Management
3. Chemical Technology
4. Radiologic Technology
5. Legal Assistant/Paralegal
6. Computer and Information Sciences
7. Physical Therapist Technician/Assistant
8. Welding Technology
9. Drafting and Design Technology
10. Respiratory Care Therapy

Top Technical Certificates Awarded in 2017
1. Welding Technology
2. Business Administration and Management
3. Licensed Practical/Vocational Nurse Training
4. Automotive Mechanics
5. Computer and Information Sciences
6. Cosmetology
7. EMT Paramedic
8. HVAC Technology
9. Chemical Technology
10. Fire Science

Community Colleges Respond to the Workforce Needs of a Growing Texas

Community College Credentials Lead to Wage Growth

Average Earnings by Credential Level (All Majors)*

*Includes all Public, Two-Year Colleges. (2005 Cohort)
Source: Texas Consumer Resource for Education and Workforce Statistics
For more information, please contact:

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