



# **The New Community College Compact with Texas**

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Texas Association of Community Colleges

# The New Community College Compact with Texas

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# The New Community College Compact with Texas

## Executive Summary

Texas stands at the crossroads. Community colleges recognize the urgency in acting to achieve the goals of *Closing the Gaps* and the state interest in seeing results from the crucial state investment in community colleges. The Texas Higher Education Coordinating Board has clearly stated the challenge for Texas: “Only by sharply reversing Texas’ declining enrollment and graduation rates, and building excellence in education and research, can the state compete with other states and nations.” Community colleges are the key to success in achieving these goals by serving as the gateway for access to higher education. Texas can only be as successful as its community colleges. With this in mind, the state’s community colleges believe it is time to establish a new relationship between the state and community colleges - *The New Community College Compact with Texas*. *The New Compact* consists of the components described below.

### **I. Base Funding**

Under the *New Compact*, base funding is required to fulfill the community college mission. Colleges cannot innovate or experiment when the focus of their concern is an inadequate funding base. *The New Compact* calls for base funding to consist of the three components described below.

#### ***Base Formula Funding***

The state commitment to base funding would be determined by taking the total amount from the annual cost study and deducting tuition and statutory fees from that total. The state would then deduct 10 percent from total appropriation amount and set those funds aside for incentive funding.

#### ***Employee Benefits***

The Legislature must maintain its commitment to Texas Community Colleges by funding employee benefits, including adjustments for inflation.

#### ***Contingency Funding for Enrollment Growth***

Because the funding system is based on historical enrollments, colleges that grow are at a disadvantage in dealing with increasing numbers of students without additional funding. A contingency fund for enrollment growth set aside at the Texas Higher Education Coordinating Board should be continued and enhanced.

### **II. New Compact Incentive Funding**

In the *New Compact*, achieving the goals of *Closing the Gaps* requires a demonstrable commitment on the part of community colleges to innovation and outcomes. In the first two years of the *New Compact*, half of the funds set aside should be allocated equally between the two categories.

#### ***Innovation***

*The New Compact* recognizes that we cannot achieve the *Closing the Gaps* goals by continuing business as usual. Colleges must innovate and invent better methods for student success. Innovation funds should be allocated to each college – a portion of which is a flat allocation of \$500,000 per college and the remainder is allocated through the formula.

#### ***Outcomes***

Community Colleges are committed to accountability and the improvement of student success. A number of colleges are participating in a national initiative known as *Achieving the Dream*, a data driven effort, that is helping colleges develop best practices for student success. As a starting point, accountability measures developed by the Coordinating Board can be used as a baseline to track improvement on student outcomes.

### **III. Affordability**

Keeping tuition costs low and providing adequate financial aid are keys for students’ persistence and success. The Texas Educational Opportunity Grant Program targets community college students who are currently under-served by state financial aid programs. Funding for this program should be increased from the current \$9 million biennially to \$50 million per biennium to enhance affordability.

## The New Community College Compact with Texas

*Texas stands at the crossroads.*

*In one direction lies a future that follows the path of current courses of action. Enrollments in the state's public and independent colleges and universities are not keeping pace with the booming Texas population.*

*The second path offers a far brighter future for Texas as it moves into the 21<sup>st</sup> century—a route that is shaped by the acknowledgment that the state can build prosperity only by educating its people. Only by sharply reversing Texas' declining enrollment and graduation rates, and building excellence in education and research, can the state compete successfully with other states and nations.*

*--from Closing the Gaps by 2015: The Texas Higher Education Plan, p. 5.*

### Higher Education and the Future of Texas

The Texas Higher Education Coordinating Board adopted the higher education plan, *Closing the Gaps*, in 2000. The plan is based on the population projections of State Demographer, Steve Murdock. Dr. Murdock has consistently articulated three population trends for Texas since the publication of *The Texas Challenge: Population Change and the Future of Texas* in the mid-1990s:

*Trend #1: The population of Texas will show continuing and extensive growth.*

- The population of Texas grew by 3.86 million people from 1990-2000; an overall increase of 22.8 percent.
- By 2010, Texas is likely to have 25 million people; current population is 22.9 million.
- Depending on the projection model, the Texas population could increase from 71.5 percent to 148 percent from 2000 to 2040. The table below summarizes the population projections.

Projection Model	2040 Projected Population	Population Increase from 2000	Percent Increase from 2000
0.5	35.8 million	14.9 million	71.5%
2000-2004	43.6 million	22.7 million	109%
1.0	51.7 million	30.9 million	148%

*Source: Texas State Data Center*

*Trend #2: Texas will have an increasingly diverse population.*

- The Texas population became less than 50 percent Anglo by July 1, 2004.

- According to Texas State Data Center Projections, Texas will become a majority Hispanic state as early as 2025 and no later than 2035. The table below shows how the Texas population has already diversified since 1980. The table also provides projections to 2040.

	1980	2000	2020*	2040*
Anglo	65.7%	53.1%	42.2%	32.2%
Hispanic	21.0%	32.0%	42.4%	47.6%
African American	11.9%	11.6%	10.9%	9.5%
Other	1.4%	3.3%	4.5%	5.7%

*Source: Texas State Data Center*

*\*Assumes 0.5 projection model*

*Trend #3: Texas will have an aging and age-stratified population.*

- While the median age was 32.3 in 2000, the median age is expected to be between 38.1 and 38.9 years of age by 2040.
- By 2040, nearly 16 percent of the population will be 65 years of age or older; in 2000, this age group represented 9.9 percent of the population.
- Although populations in all racial/ethnic groups will age, Anglos will continue to have the highest median age. In 2000, the Anglo median age was 38.0 year; in 2004, the median age is projected to be between 45.6 and 46.2.

Dr. Murdock concludes that “the projections of the Texas population suggest that socioeconomic and service structures will be impacted by a population that is larger, older, and increasingly diverse.”<sup>i</sup> The Texas Higher Education Coordinating Board took into account the projected changes in Texas’ population and articulated the challenge facing higher education in Texas:

*At present, a large gap exists among racial/ethnic groups in both enrollment and graduation from the state’s colleges and universities. Groups with the lowest enrollment and graduation rates will constitute a large proportion of the Texas population. If this gap is not closed, Texas will have proportionately fewer college graduates.”<sup>ii</sup>*

*Closing the Gaps by 2015* presents significant challenges to the higher education community:

- Close the gaps in participation by adding 630,000 more students by 2015.
- Close the gaps in success by awarding a total of 210,000 undergraduate degrees, certificates, and other identifiable student successes from high quality programs by 2015.
- Close the gaps in excellence by substantially increasing the number of nationally recognized programs or services at colleges and universities in Texas by 2015.
- Close the gaps in research by increasing the level of federal science and engineering research and development obligations to Texas institutions to 6.5 percent of obligations to higher education institutions across the nation by 2015.<sup>iii</sup>

## Role of Texas Public Community Colleges in Meeting the Goals of *Closing the Gaps*

The Texas Association of Community Colleges (TACC) believes the success or failure of meeting the participation goal and the student success goal of *Closing the Gaps* rests squarely on the shoulders of the state’s fifty community college districts. Community colleges are the institution of choice for a majority of students entering higher education. Community colleges enroll 75 percent of the freshmen and sophomores in the state—78 percent of minority freshmen and sophomores—and the student population reflects the ethnic diversity of the state. Community colleges are accessible, affordable, and attract the very students that are needed in the state’s higher education system.

According to the *Houston Chronicle*, “Texas community colleges grew nearly three times faster than the state’s public universities this fall, widening an enrollment gap that coincides with rising tuition costs.”<sup>iv</sup> The Coordinating Board has acknowledged the importance of community colleges to the state higher education plan. In the original plan document, the Coordinating Board estimated that 60 percent of additional students would begin their education at community and technical colleges.<sup>v</sup> Two-year institutions accounted for 80 percent of the enrollment growth from Fall 2005 to Fall 2006.

Analysis of the change in enrollment during the first five years of *Closing the Gaps* indicates that community colleges were responsible for over 115,000 students (nearly 58 percent of the increase in the student population). As the table demonstrates, the increases in Hispanic students (60.2%) and Anglo students (62.9%) exceeded 60 percent. This analysis also shows that community colleges need to focus more attention on attracting African-American students to community colleges. Community colleges accounted for only 44.8 percent of the increase in the state.

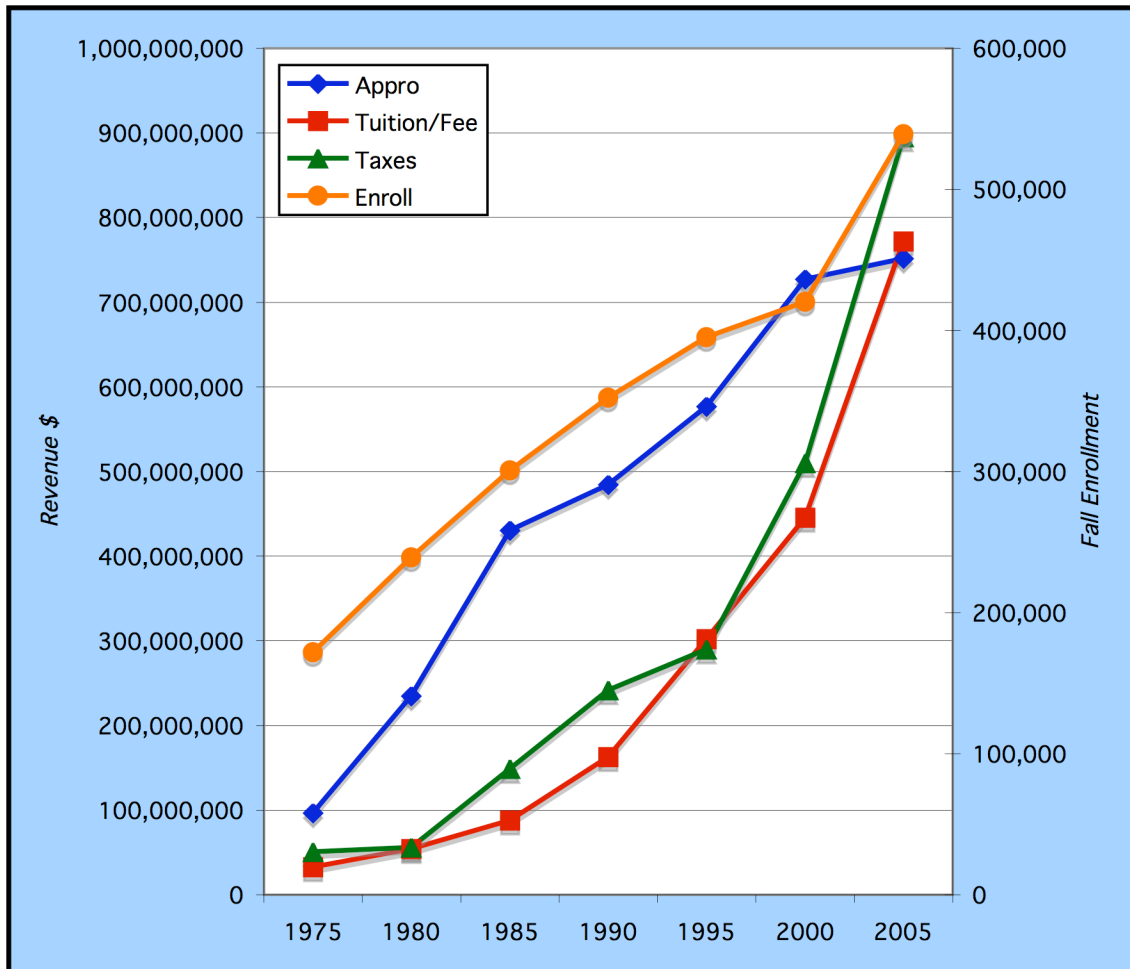
Enrollment	Fall 2000	Fall 2005	# change	% change
<i>All Students</i>				
All Institutions	1,019,517	1,220,487	200,970	19.7%
Public CC’s	431,934	547,717	115,783	26.8%
% Public CC's			57.6%	
<i>African-American</i>				
All Institutions	108,463	139,734	31,271	28.8%
Public CC’s	47,626	61,641	14,015	29.4%
% Public CC's			44.8%	
<i>Hispanic</i>				
All Institutions	237,394	319,459	82,065	34.6%
Public CC’s	125,404	174,831	49,427	39.4%
% Public CC's			60.2%	
<i>Anglo</i>				
All Institutions	570,042	629,211	59,169	10.4%
Public CC’s	228,754	265,962	37,208	16.3%
% Public CC's			62.9%	

The challenges for the community colleges of Texas in terms of meeting the goals of *Closing the Gaps* and meeting the workforce needs of the new economy are numerous. In July 2006, the Coordinating Board reported that even though enrollment has increased at Texas higher education institutions since 2000, “the state is not on track to meet the participation goal of *Closing the Gaps*.”<sup>vi</sup> Community colleges are expected to provide the education that leads to greater economic opportunity and improved quality of life for all citizens. Ninety percent of the jobs in the new economy require post-secondary education. Two-thirds of these jobs require a certificate or an associate’s degree. Sustainable and successful community colleges are necessary to provide these educational opportunities. Community colleges are expected to serve a range of college students, including those who are most likely to have academic, financial, and personal challenges. Community colleges are expected to educate a diverse mix of student with dramatically varying goals. Community colleges are expected to serve students who may not have any other opportunity in higher education. If our colleges are not successful, these students will be a drain on society. However, as these students attain their educational goals (complete college courses, earn certificates, and earn degrees), they will improve their own lives and benefit the state and nation. Community colleges are willing to accept the challenges of *Closing the Gaps*. As outlined in the pages that follow, a *New Community College Compact with Texas* is needed so that community colleges can be successful in their efforts to get more students into Texas’ higher education system and ensure that the students reach their educational goals.

## Historical Community College Compact with Texas

Community Colleges in Texas have been created by evolution rather than revolution. Texas Community Colleges have been established by the local communities they serve over a long period of time, from the 1930s up until the most recent in the 1990s. These colleges were established to respond to local needs in partnership with the State of Texas. The historical compact between the colleges and the state is based on the principle that the state would pay for the cost of instruction and the community would fund the physical plant and non-instructional costs. This understanding was formalized in the Master Plan for Higher Education in 1969 by what is now the Texas Higher Education Coordinating Board, and then enacted in statute by the Legislature. For various reasons, over the past decade the state commitment to this compact and to community colleges has eroded.

**Increase in Community College Revenue: 1975 to 2005**



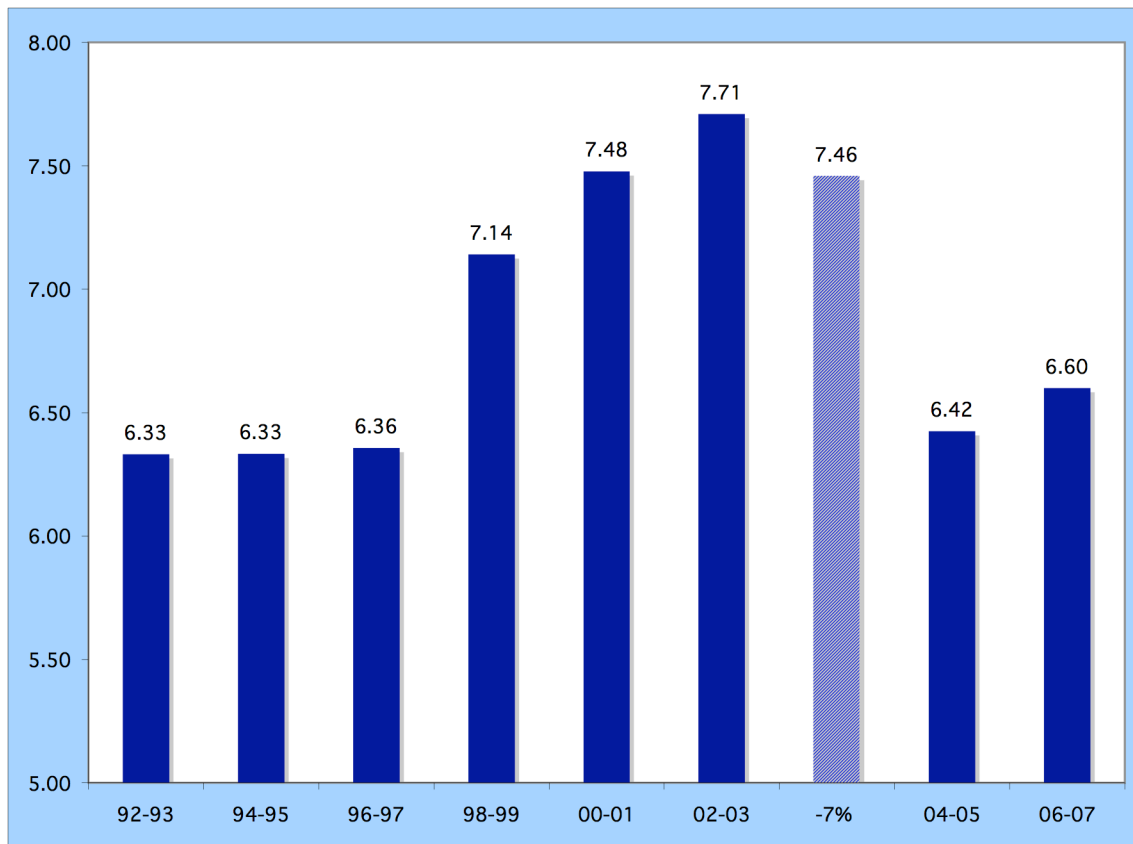
As the chart above demonstrates, the costs of providing educational services at community colleges have shifted over the past several decades from the state to the taxpayer and students. 1985 represents what TACC believes to be the historical compact



between the state and community colleges: the state share was 65 percent, the student's (and his/her parents) share was 13 percent, and the local taxpayers share was 22 percent. 2005 provides a sharp contrast to the distribution found in 1985 with the state share accounting for 31 percent of the total. Revenue from student tuition was 32 percent of the total and revenue from local property taxes accounted for the highest portion, 37 percent.

Factoring in the tremendous growth of community colleges over the last decade or so provides further evidence of the erosion of the historical compact. The appropriation to community colleges has continued to grow since the 1992-93 biennium. As demonstrated in the chart below, when the growth of community colleges is accounted for by the appropriation per contact hour analysis, the current biennium's appropriation is 14.4 percent less than the highest level of state funding (2002-03 biennium).

**Appropriation per Contact Hour (Biennium): 1992-93 to 2006-07**



While community colleges are very much committed to their mission and have been trying to live up to the expectations of the compact, the colleges understand that *Closing the Gaps* and the findings of Dr. Steve Murdock place new and special expectations on them. These expectations require reconsideration of the historical compact and the creation of a *New Community College Compact with Texas*.

## The New Community College Compact with Texas

Community Colleges recognize the urgency in acting to achieve the goals of *Closing the Gaps*. Community Colleges also recognize the state interest in seeing results from the state investment in community colleges and that it is time to change the conversation about funding for community colleges. With these concepts in mind Community Colleges propose the *New Community College Compact with Texas*. There are three components to the compact: base funding, incentive funding, and financial aid.

***Base Funding:*** All institutions require a funding base with which they can be expected to fulfill the statutory requirements of the community college mission. In the historical compact, base funding was proposed by community colleges as 100 percent of the annual cost study for the community college formula. Under the *New Compact* community colleges propose that base funding to fulfill the community college mission consist of three components: Base Formula Funding, Employee Benefits, and Contingency Funding for Enrollment Growth. Each of these components must be funded to allow community colleges to move beyond the historical compact into the new compact. Incentive funding as described below must be in addition to this base funding.

*Base Formula Funding:* Base Formula Funding should be determined by maintaining the annual cost study and formula system to determine the full cost of instruction. However, the state commitment to base funding would be determined by taking the total amount from the cost study and deducting tuition and statutory fees from that total. Furthermore, the state would then deduct 10 percent from total appropriation amount and set those funds aside for incentive funding. Expressed as formulas:

Total State Formula Commitment = Cost Study – Tuition and Statutory Fees

Base Formula Funding = Total State Formula Commitment – 10 percent.

It is estimated that for the 80<sup>th</sup> Legislature the Base Formula Funding request would be approximately \$1.997 billion for the biennium.

*Employee Benefits:* In order to provide an excellent educational experience for all students, community colleges must hire and retain talented and dedicated faculty and staff. Preservation of quality employee benefits is critically important to retention. The Legislature must maintain its historical commitment to Texas Community Colleges by funding employee benefits, including adjustments for inflation and rising costs.

*Contingency Funding for Enrollment Growth:* In order to meet the goals of *Closing the Gaps* community colleges must enroll students in increasing numbers. Because the formula funding system is based on historical enrollment data, colleges that grow are at a fiscal disadvantage in dealing with increasing numbers of students without any additional funding. Community colleges propose

continuation of the practice of recognizing enrollment growth with a contingency fund set aside at the Texas Higher Education Coordinating Board. However, the legislature should set aside sufficient funds to meet anticipated growth needs as well as reducing the thresholds for qualifying for these contingency funds.

***New Compact Incentive Funding:*** In the *New Compact*, achieving the goals of *Closing the Gaps* requires a demonstrable commitment on the part of community colleges to Innovation and to Outcomes. The *New Compact* requires a commitment on the part of the state to meaningful incentive funding. In examining incentive funding experiments in other states there are three inherent weaknesses. The first weakness was that incentive funds often supplanted base funds, thereby becoming negative incentives. The second weakness was that incentive funds failed to allow institutions to experiment and innovate to find new and better ways to achieve the mission. The final weakness was that incentive funds were insufficient to create true incentives – the rewards were out of proportion with the efforts required to achieve meaningful outcomes. For these reasons, community colleges propose an innovation and data driven incentive funding system on a meaningful scale.

Based on the formulas described above, the state would set aside 10 percent of the Total State Commitment for incentive funding. For the 80<sup>th</sup> Legislature, this amount would be approximately \$222 million for the biennium. Community colleges propose that funds be allocated to two major categories – innovation and outcomes. In the first two years of the *New Compact* community colleges propose that half of the funds be allocated equally between the two categories. In succeeding years, two-thirds of the funds should be dedicated to outcomes and one-third to innovation.

***Innovation:*** Achieving the goals of *Closing the Gaps* will require more of our colleges than business as usual. To achieve those goals will require invention and innovation to test new methods for reaching out to populations that have not traditionally attended college in large numbers, and new methods for improving the outcomes for all students. Community colleges are well aware of a number of areas that need improvement – developmental education, access for non-traditional populations, and retention for all students. While colleges have been working with diligence to make improvements in these areas, these efforts are limited by the availability of funds and by a funding model that does not recognize non-traditional methods for achieving these goals. In *The New Compact* innovation funds should be allocated to each college – a portion of which would be a flat allocation of \$500,000 per college and the remainder would be allocated through the formula. Colleges would be free to use the funds for the following purposes:

- Enhancement of P-16 Partnerships consistent with HB 1
- Faculty Development and Training
- New Program Development (tied to *Closing the Gaps* goals and the Governor’s Industry Cluster Initiative)
- New Program Replication from Best Practices

- Program Assessment and Accountability
- Participation in regional or national efforts like *Achieving the Dream*
- Development of Distance Learning Programs
- Assessment of Economic Impact of the College
- Inter-institutional Cooperatives
- Matching funds for public and private grants
- Any other Innovative Practice that helps achieve goals

Funds allocated to innovation efforts should be tracked at an institutional level with biennial reports submitted to the Legislature and Texas Higher Education Coordinating Board accounting for the use of these funds.

***Outcomes:*** Community Colleges are committed to accountability and the improvement of student success. Through work with the Commission on Colleges of the Southern Association of Colleges and Schools, colleges have worked tirelessly to document and focus on Quality Enhancement Plans. A number of colleges are participating in a national initiative known as *Achieving the Dream*, which focuses on creating a culture of evidence for the improvement of student success. This data driven effort, funded by the Lumina Foundation and the Houston Endowment is helping colleges develop best practices for improving developmental education. Finally, working with the Texas Higher Education Coordinating Board colleges have developed a series of accountability measures. As a starting point, the data from the Coordinating Board measures can be used as a baseline to track improvement on the key and contextual measures. Funds allocated for outcomes should be allocated for documented improvement on these measures. Over time, these measures can continue to be refined to ensure they are in line with state and college goals. A working group of colleges and agency staff should be assembled to determine the best allocation method for these funds.

***Affordability:*** Low community college tuition is the best form of financial aid for students in Texas. The state’s commitment to the base funding model presented above will keep the tuition at Texas’ community colleges affordable for all students.

In addition, the state’s financial aid policies need to be overhauled. Students enrolled at community colleges have the greatest unmet financial need of any sectors of higher education. According to the Higher Education Coordinating Board, community college students face a level of unmet financial need that is almost double that of students enrolled in public universities – nearly 60% at community colleges compared to 31% at public universities. Commissioner Paredes has indicated that the need for financial aid at two-year institutions in this state is “greater than the other sectors of higher education.” Yet the state does not use its financial dollars to effectively target these students.

Approximately \$291 million is appropriated biennially to the Texas Higher Education Coordinating Board for five major student aid programs in Texas. The Texas Educational Opportunity Grant Program (formerly TEXAS Grant II), a program

exclusively for students at two-year institutions, receives \$4.5 million a year. The College Work Study program receives \$5 million per year. The B-on-Time loan forgiveness program receives \$10.3 million a year. TEXAS Grant, the largest financial aid program, receives \$166 million a year. The Tuition Equalization Grant, for students at independent institutions, receives \$105 million. In FY 2005, community college students accounted for over 46% of the total state enrollment yet received only 11% of the total state financial aid funding.

A key component of the new Compact with Texas is a commitment by the state to target need-based grant programs to community college students to close the unmet financial need gap. The Texas Educational Opportunity Grant Program is an existing mechanism that targets these students. To be successful, funding for the program must be increased from the current \$9 million biennially to at least \$50 million per biennium.

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<sup>i</sup> Murdock, Steve H. et al., *A Summary of the Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*, The Center for Demographic and Socioeconomic Research and Education, December 2002, p. 9.

<sup>ii</sup> *Closing the Gaps by 2015: The Texas Higher Education Plan*, Texas Higher Education Coordinating Board, October 2000, p. 4.

<sup>iii</sup> *Closing the Gaps by 2015: 2006 Progress Report*, Texas Higher Education Coordinating Board, July 2006, p. 1.

<sup>iv</sup> *Admission Jump at Community Colleges in State*, Houston Chronicle, October 27, 2006.

<sup>v</sup> *Closing the Gaps by 2015: The Texas Higher Education Plan*, Texas Higher Education Coordinating Board, October 2000, p. 8.

<sup>vi</sup> *Closing the Gaps by 2015: 2006 Progress Report*, Texas Higher Education Coordinating Board, July 2006, p. 3.

**Appendix 1: The New Community College Compact with Texas**  
 Comparison of the THECB and Commissioner’s Recommendation  
 with the New Community College Compact

The Texas Higher Education Coordinating Board and the Commissioner of Higher Education have recognized how essential community colleges are to the state’s efforts in meeting the goals of *Closing the Gaps*. The formula recommendation for Texas public community colleges from the Coordinating Board and the Commissioner to the Legislative Budget Board on November 3, 2006 was \$2.219 Billion. The chart below shows how the Coordinating Board’s Recommendation compares to the amount generated through the New Community Compact with Texas.

	<b>THECB &amp; Commissioner</b>	<b>New Compact</b>
Base Funding	2,219,565,783	1,997,609,205
Innovation		110,978,289
Outcomes		110,978,289
<b>Total Formula Recommendation</b>	<b>2,219,565,783</b>	<b>2,219,565,783</b>

## Appendix 2: The New Community College Compact with Texas

Projections Based Upon THECB Formula Run, 11/3/06

College District	Appropriation FY 2006-07	New Community College Compact with Texas			
		Base Funding	Incentive Funding		TOTAL
			Innovation	Outcomes	
Alamo	130,737,272	162,366,214	7,488,338	9,020,345	178,874,897
Alvin	16,128,595	18,635,350	1,302,077	1,035,297	20,972,723
Amarillo	33,623,371	40,845,533	2,258,016	2,269,196	45,372,745
Angelina	16,796,712	18,201,337	1,283,396	1,011,185	20,495,919
Austin	74,150,242	98,091,187	4,721,903	5,449,510	108,262,601
Blinn	37,744,228	49,147,214	2,615,325	2,730,401	54,492,941
Brazosport	11,161,305	12,830,687	1,052,240	712,816	14,595,743
Central Texas	38,724,256	44,558,019	2,417,804	2,475,445	49,451,268
Cisco	10,338,862	12,822,305	1,051,880	712,350	14,586,535
Clarendon	4,173,513	4,838,004	708,231	268,778	5,815,013
Coastal Bend	13,612,445	13,458,740	1,079,272	747,708	15,285,720
College of the Mainland	12,707,409	14,010,016	1,102,999	778,334	15,891,349
Collin	49,972,012	66,137,441	3,346,595	3,674,302	73,158,339
Dallas	169,763,216	207,352,658	9,424,582	11,519,592	228,296,832
Del Mar	37,257,542	44,846,314	2,430,212	2,491,462	49,767,988
El Paso	63,284,766	80,907,790	3,982,319	4,494,877	89,384,986
Frank Phillips	5,477,742	6,376,561	774,451	354,253	7,505,266
Galveston	9,440,802	9,021,191	888,277	501,177	10,410,646
Grayson	13,040,810	16,377,386	1,204,892	909,855	18,492,134
Hill	11,069,699	14,306,992	1,115,781	794,833	16,217,607
Houston	122,466,236	147,882,566	6,864,954	8,215,698	162,963,218
Howard	15,906,388	18,748,958	1,306,966	1,041,609	21,097,534
Kilgore	20,313,967	23,012,318	1,490,464	1,278,462	25,781,244
Laredo	25,250,674	29,642,683	1,775,839	1,646,816	33,065,337
Lee	20,120,129	22,949,501	1,487,760	1,274,972	25,712,234
McLennan	26,555,732	32,603,267	1,903,264	1,811,293	36,317,823
Midland	17,734,474	23,097,137	1,494,115	1,283,174	25,874,426
Navarro	21,161,052	28,605,737	1,731,208	1,589,208	31,926,152
North Central Texas	15,607,811	21,714,536	1,434,607	1,206,363	24,355,505
North Harris Montgomery	98,310,654	130,064,314	6,098,045	7,225,795	143,388,154
Northeast Texas	7,673,140	9,352,136	902,521	519,563	10,774,220
Odessa	17,242,163	20,364,221	1,376,488	1,131,346	22,872,055
Panola	6,589,408	8,547,966	867,910	474,887	9,890,763
Paris	14,999,015	19,407,233	1,335,299	1,078,180	21,820,711
Ranger	4,173,512	3,814,601	664,183	211,922	4,690,706
San Jacinto	70,334,386	88,130,709	4,293,198	4,896,150	97,320,058
South Plains	28,744,516	35,172,812	2,013,859	1,954,045	39,140,716
South Texas	46,424,443	60,202,139	3,091,136	3,344,563	66,637,838
Southwest Texas	15,505,069	17,344,901	1,246,535	963,606	19,555,041
Tarrant	86,744,457	109,522,193	5,213,900	6,084,566	120,820,660
Temple	12,310,415	15,862,604	1,182,736	881,256	17,926,596
Texarkana	17,888,099	20,662,024	1,389,306	1,147,890	23,199,220
Texas Southmost	24,578,962	33,336,972	1,934,843	1,852,054	37,123,869
Trinity Valley	22,142,813	27,623,113	1,688,915	1,534,617	30,846,646
Tyler	31,952,507	39,374,897	2,194,719	2,187,494	43,757,111
Vernon	10,892,020	12,718,001	1,047,390	706,556	14,471,947
Victoria	13,618,233	15,867,254	1,182,936	881,514	17,931,704
Weatherford	15,465,370	19,515,856	1,339,974	1,084,214	21,940,044
Western Texas	5,433,163	7,144,357	807,497	396,909	8,348,763
Wharton	16,225,831	20,193,260	1,369,130	1,121,848	22,684,238
<b>Community College Total</b>	<b>1,611,569,438</b>	<b>1,997,609,205</b>	<b>110,978,289</b>	<b>110,978,289</b>	<b>2,219,565,783</b>

## **Appendix 3: The New Community College Compact with Texas**

### **Community College Accountability Measures**

#### **Participation – Key Measures:**

1. Enrollment: Number and percent of credit students enrolled on the fall census day with details of in-district, out-of-district, out-of-state, and dual credit.

Definition: Unduplicated fall headcount enrollment disaggregated by gender, ethnicity, full-time/part-time, academic/technical, age categories, and residency status (in-district, out-of-district, and out-of-state). Flex entry students are not included. The age is calculated using the year of enrollment minus the year of birth. Dual credit students are reported separately. CB will break out by all ethnicities so that LBB can show the groups they need.

Source: CBM001

2. Annual unduplicated enrollment including credit, non-credit, and dual credit students

Definition: Unduplicated annual headcount enrollment disaggregated by gender, ethnicity, academic/technical, age categories, and residency status (in-district, out-of-district, and out-of-state). The age is calculated using the year of enrollment minus the year of birth. Continuing education, flex-entry, dual credit and regular credit students are included. Credit, continuing education, and dual credit students are reported separately. The annual number is unduplicated based on a hierarchy where Tech-Prep supercedes Technical, which supercedes Continuing Education, which supercedes Academic. The numbers match the Institutional Effectiveness measures and standards.

Source: CBM001 and CBM00A

#### **Participation – Contextual Descriptors:**

3. Unduplicated enrollment including credit and non-credit students for each semester (fall, spring and summer semesters)

Definition: Unduplicated annual headcount enrollment disaggregated by gender, ethnicity, academic/technical and age categories. The age is calculated using the year of enrollment minus the year of birth. Continuing education, flex-entry, dual credit and regular credit students are included. It is reported separately for each semester. Each semester is unduplicated based on a hierarchy where Tech-Prep supercedes Technical, which supercedes Continuing Education, which supercedes Academic.

Source: CBM001 and CBM00A

4. Ethnic composition of persons 18 and over in the college's service area.

Definition: The service area is based on a list of counties in each service area determined in conjunction with TACC and TAIR. Population figures will be derived from population projections by ethnicity, age and county produced by the Texas State Data Center. Every county will be in at least one institution's service area. TAIR is working on defining this measure.

Source:

5. Semester Credit Hours and Contact Hours: Annual number of undergraduate semester credit hours and contact hours for credit programs and annual contact hours for continuing education programs.

Definition: Total annual semester credit hours and contact hours, including non-fundable, from the CBM004 separated into academic, technical and continuing education contact hours.

Source: CBM004 and CBM00C.



## Community College Accountability Measures

6. Financial aid: Percent of credit students receiving Pell Grants by gender/ethnicity.

Definition: Percentage of undergraduate students who are receiving any amount of Pell grant as reported on the financial aid database. Matches the fall undergraduate enrollment by FICE and valid SSN to the FADS database and pulls all students who received Pell Grants. Calculate the percentage of the number of Pell grant students to the [total or fall] undergraduate enrollment. The number of undergraduates matches to PREP. This is for prior year because FADS is not reported in time to match with current Fall. Institutional scholarships are not captured in this measure.

Source: CBM001 and Financial Aid Database System.

7. Full-Time/Part-time Undergraduate Students: The number and percent of credential-seeking students.

Definition: Number and percent of credential-seeking students disaggregated by gender and ethnicity. Part-time is considered less than 12 semester credit hours. Full-time is considered 12 or more semester credit hours. Credential-seeking students are those with a code of 1-earn an associate's degree, 2-earn a certificate, 3-earn credits for transfer or 6-did not respond from the student intent field on the CBM001. Those coded as 4=job skills or 5=personal enrichment are not included. Dual enrollment is included only if they are credential-seeking. Flex entry students are not included.

Source: CBM001

8. First-time-in-College Full-Time/Part-time Undergraduate Students: The number and percent of first-time credential-seeking students.

Definition: Number and percent of first-time credential-seeking students disaggregated by gender and ethnicity. Part-time is considered less than 12 semester credit hours. Full-time is considered 12 or more semester credit hours. Credential-seeking students are those with a code of 1-earn an associate's degree, 2-earn a certificate, 3-earn credits for transfer or 6-did not respond from the student intent field on the CBM001. Those coded as 4=job skills or 5=personal enrichment are not included. Dual credit enrollment is not included because it is not considered first-time in college. Flex entry students are not included.

Source: CBM001

9. Non-funded and non-reported community college activities:

a) contract training: number of enrollments and number of contact hours for a fiscal year  
Enrollment numbers are unduplicated annually illustrating the number of individuals served. The contact hours should be the total number of contact hours generated by contract training for the fiscal year in question.

b) GED: number who enrolled, number who took the test, and number who passed the test.  
As there may be a difference in defining of the fiscal year between agencies, include the number of students that were reported for the period requested.

c) Adult Basic Education: number of individuals enrolled as reported by institutions' ACES to TEA  
The number of individuals enrolled in adult education program that is reported to TEA. Does not include ESL courses offered to adult/older students.

d) Alternative Teacher Certification: number of enrollments and number of hours for a fiscal year  
Enrollment numbers are unduplicated annually illustrating the number of individuals served. The contact hours should be the total number of contact hours generated by alternative teacher certification program for the fiscal year in question.

Source: Institutions

## Community College Accountability Measures

### Success – Key Measures:

10. Graduation and Persistence: Percent of first-time, full-time, credential-seeking undergraduates

Definition: Percent of first-time, full-time credential-seeking undergraduates who have graduated or are still enrolled in Texas public and private higher education after six academic years by gender and ethnicity. Students transferred to out-of-state institutions are not included in this measure. Full-time is considered 12 or more semester credit hours. Prior to Fall 2000, the credential-seeking students are determined by matching to the CBM002 where the educational objective field does not equal 1 (non-degree). Beginning in Fall 2000, credential-seeking students are those with a code of 1-earn an associate's degree, 2-earn a certificate, 3-earn credits for transfer or 6-did not respond from the student intent field on the CBM001. Those coded as 4=job skills or 5=personal enrichment are not included.

Source: CBM001, CBM002 and CBM009 (CBM-002 for historical intent)

11. Graduation Rate: Three, four and six-year graduation rate.

Definition: Three, four and six-year graduation rate of first-time, full-time credential-seeking undergraduates by gender and ethnicity. Prior to Fall 2000, the credential-seeking students are determined by matching to the CBM002 where the educational objective field does not equal 1 (non-degree). Beginning in Fall 2000, credential-seeking students are those with a code of 1-earn an associate's degree, 2-earn a certificate, 3-earn credits for transfer or 6-did not respond from the student intent field on the CBM001. Those coded as 4=job skills or 5=personal enrichment are not included.

Source: CBM001, CBM002 and CBM009

12. Number of associate degrees, certificates by type, core completers and field of study completers by gender and ethnicity

Definition: The number and percent of awards by gender and ethnicity and by level of award. These numbers are duplicated, as a student may earn multiple awards during a school year. CB will break out by all levels so that LBB can use what they need.

Source: CBM009

13. Transfers: Percent of students who transfer to a senior institution.

Definition: Cohort of first-time students who started six years ago is followed. Those who attempted 30 college-level credit hours at the same institution/district before transferring to a university are attributed to an institution/district. Those who attempted 30 or more college-level credit hours at more than one community college/district before transferring to a university will appear in the statewide transfer rate. First-time undergraduates are tracked forward for 6 years by semester. The hours accumulate incrementally by semester. Once they reach the 30 college-level credit hours criteria, they are tracked from the following semester to the end of the 6 years to see if they enrolled in a senior institution.

Separate breakouts for those who have 15SCH at an institution/district in one year before transferring to a university and those who are awarded core at a college.

Source: CBM001

14. The percent of underprepared and prepared students who successfully complete a related college-level course within 3 years if they tested above deviation or 4 years if they tested under deviation by subject areas.

## Community College Accountability Measures

**Definition:** Of public two-year college first-time summer/fall entering undergraduates who were not TSI waived, not TSI exempted, and took and failed the initial TSI test, the percent who earn an A, B, or C in a related general education core curriculum course within 3 years if they tested above deviation or 4 years if they tested under deviation by subject areas (math, reading, and writing); compared with the percent of public two-year college first-time summer/fall entering undergraduates who were TSI exempted or passed the initial TSI test, and earn an A, B, or C in a related general education core curriculum course within 1 year.

Source: CBM002 and CBM001

### **Success – Contextual Variables:**

15. Persistence Rate: First-Time credential-seeking undergraduates who remain enrolled at your institution or another Texas institution after one and two academic years.

**Definition:** The percent of first-time credential-seeking who remain enrolled after one and two academic years by gender, ethnicity and age. Prior to Fall 2000, the credential-seeking students are determined by matching to the CBM002 where the educational objective field does not equal 1 (non-degree). Beginning in Fall 2000, credential-seeking students are those with a code of 1-earn an associate's degree, 2-earn a certificate, 3-earn credits for transfer or 6-did not respond from the student intent field on the CBM001. Those coded as 4-job skills or 5-personal enrichment are not included. The age is calculated using the year of enrollment minus the year of birth as of September of the year.

Source: CBM001 and CBM002

16. The number of degrees and certificates awarded in *Closing the Gaps* critical fields.

**Definition:** Include students in the same CIP codes as *Closing the Gaps* (CIP 11, 14, 15, 27, 40 and 30.01). The total number will include that same awards as *Closing the Gaps*, which includes students who graduate with a certificate 1, certificate 2, advanced technology certificate, associate's or bachelor's degree. Other completers such as enhanced skills certificates, core curriculum completers and field of study completers will be displayed as additional information, but are not included in the overall total.

Source: CBM009

17. Number of nursing and allied health degrees and certificates awarded.

**Definition:** Number of degrees and certificates awarded in nursing and allied health. Same CIPs as in *Closing the Gaps* (51.02, 51.06, 51.07 (at the BS or lower levels only), 51.08, 51.09, 51.10, 51.16 (nursing, not allied health), 51.18, 51.23, 51.26, 51.27, 51.31, 51.32, 51.33, 51.34, 51.99). The total number will include that same awards as *Closing the Gaps*, which includes students who graduate with a certificate 1, certificate 2, associate's or bachelor's degree. Other completers such as enhanced skills certificates, core curriculum completers and field of study completers will be displayed as additional information, but are not included in the overall total.

Source: CBM009

18. Number of students taking the certification exams for teacher education and the pass rates by ethnicity and gender.

**Definition:** The number of initial certification tests passed divided by the number of tests taken from an institution. *LBB Method of Calculation:* the total unduplicated number of students who pass an exam relevant to a degree or program course during the reporting period, divided by the total unduplicated number of students or graduates taking licensure or certification exams during the reporting period.

## Community College Accountability Measures

Source: Texas Education Agency and/or State Board for Educator Certification as reported to the Legislative Budget Board (LBB)

19. Graduates status one year after graduation: Percent of graduates: by academic (AA/AS), Technical (AAS)

Employed Only  
Employed and Enrolled (Senior Institution)  
Enrolled Only (Senior Institution)  
Not Found  
Enrolled at CTC

Definition: The percent of students employed and enrolled in a Texas **senior** institution within one year of graduation by gender and ethnicity. The “Enrolled at CTC” was added so that all the categories would add up to the total. They were not at a senior institution, but do not belong in the not found category.

Source: Automated Student and Adult Learner Follow-Up and CB116

20. Completers/Other Successes: Number of marketable skills awards

Definition: The number of marketable skills award completers by gender and ethnicity

Source: CBM00M

21. Number of Associate of Arts in Teaching completers.

Definition: The number of Associates of Arts in Teaching completers by gender and ethnicity where CIP code equals 130101.

Source: CBM009

22. The percent of underprepared students who satisfied TSI obligation within 2 years if they tested above deviation or 3 years if they tested under deviation by subject areas.

Definition: Of the public two-year college first-time summer/fall entering undergraduates who were not TSI waived, not TSI exempted, and took and failed the initial TSI test, the percent who satisfied TSI requirements in 2 years if they tested above deviation or 3 years if they tested under deviation by subject areas (math, reading, and writing).

Source: CBM002 and CBM001

23. The percent of underprepared and prepared students who return the following fall.

Definition: Of the public two-year college first-time summer/fall entering undergraduates who were not TSI waived, not TSI exempted, and took and failed the initial TSI test, the percent who return the following fall; compared to the percent of public two-year college first-time summer/fall entering undergraduates who were TSI waived, exempted or passed the initial TSI test, and who return the following fall.

Source: CBM002 and CBM001

## Community College Accountability Measures

### **Excellence – Key Measures:**

24. Show those program whose graduates are required to pass a licensure exam to practice in the field, if the pass rate for each of the past three years is 90% or higher for three consecutive years (not a three-year average) and if the program has 15 or more students over the three year period.

These are programs that have the licensure pass rates 90% and above for the last three years. This is not an average, but annual individual rates.

Source: Institutions

### **Excellence – Contextual Variables:**

25. Certification and Licensure: Licensure and certification rate on state or national exams.

Definition: LBB Measure: The percentage of students in a discipline requiring external certification or licensure who pass a licensure or certification exam during the reporting period. LBB Method of

Calculation: the total unduplicated number of students who pass an exam relevant to a degree or program course during the reporting period, divided by the total unduplicated number of students or graduates taking licensure or certification exams during the reporting period.

Source: LBB

26. Contextual box for significant recognitions:

- Number of members in Phi Theta Kappa: the number of students that were enrolled in college during fiscal year and were active members of PTK
- Number of students in service learning programs
- Exemplary programs or citations (e.g., Star Award, IE recognition, SACS commendation, other accrediting bodies); Other national recognitions. Enter the programs offered during the fiscal year that were recognized.

Source: Institutions

### **Institutional Efficiencies and Effectiveness – Key Measures:**

27. Administrative cost as a percentage of total expenditures

Definition: The data will be obtained from LBB. LBB method of calculation: the dollar amount of expenses for Institutional Support, less the results of service department operations during the fiscal year, divided by the total dollar amount of Total Expenses, less auxiliary enterprises and the results of service department operations during the fiscal year.

Source: LBB

28. Tuition and Fees Revenue for 15 SCH

*Definition*: Revenues from all tuition and fees charged a student taking 15 semester credit hours (check on the wording now used for universities to characterize the fees that should be included). Only one year of data will be available.

Source: IFRS (Integrated Financial Reporting System)

## Community College Accountability Measures

### **Institutional Efficiencies and Effectiveness – Contextual Variables:**

29. Faculty: Number and percent of faculty by gender and ethnicity.

Definition: The number and percent of full-time (teaching 80% or more)/part-time faculty by gender and ethnicity.

Source: CBM008

30. FTE student/FTE faculty ratio

Definition: CBM008 for FTE faculty - FTE faculty are instructional faculty reported on the CBM008 with rank codes 1-5 (or blank) and percent of time directly related to teaching greater than 0. Faculty members without a salary are included. For this measure, undergraduate full-time-student-equivalents (FTSE's) are calculated on 15 semester credit hours where the SCH value is greater than zero. All enrollments (funded and not funded) are used.

Source: CBM008, CBM004

31. Contact hours: Percent of contact hours taught in semester credit courses by instructors classified as full-time and part-time faculty.

Definition: Type of instruction is a lecture, lab, or practicum. Only contact hours where the CBM004 and CBM008 match by instructor SSN are used. Full-time and part-time are determined by percent of teaching time. Full-time faculty are those teaching 80% or more. Classes taught at an inter-institutional location are excluded.

Source: CBM004 and CBM008