

**JOINT BUDGET HEARING
Texas Public Community Colleges**

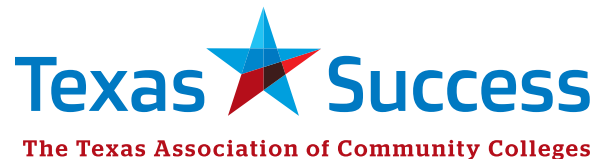
Presentation to:
Legislative Budget Board
Governor's Office of Budget, Planning and Policy
Legislative Staff

Presentation by:
Texas Association of Community Colleges

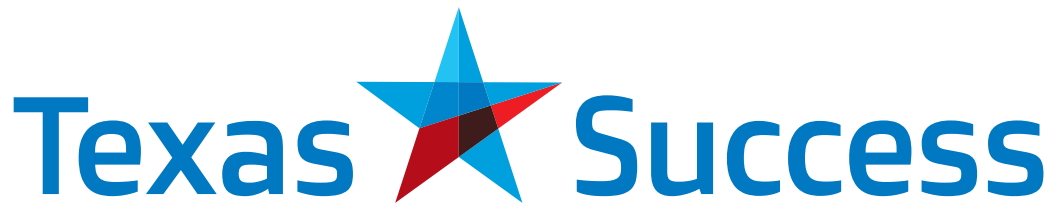
Dr. Bill Holda, TACC Chair
President, Kilgore College

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Chancellor, Lone Star College system

Dr. Rey García, TACC President and CEO



September 24, 2012



The Texas Association of Community Colleges

The community colleges of Texas understand that the most critical part of their mission focuses on the success of the students who seek educational opportunities at our institutions. It is this overarching notion that drives colleges, their faculty, and staff around the state to make a difference in the lives of Texans.

The Texas Association of Community Colleges recognizes that colleges must have a partner in the State of Texas to ensure that the success of our students remains the priority. To accomplish this goal, TACC proposes a 5-Point Campaign that asks state leaders to join us in this critical effort.

5-Point Campaign: Legislative Priorities

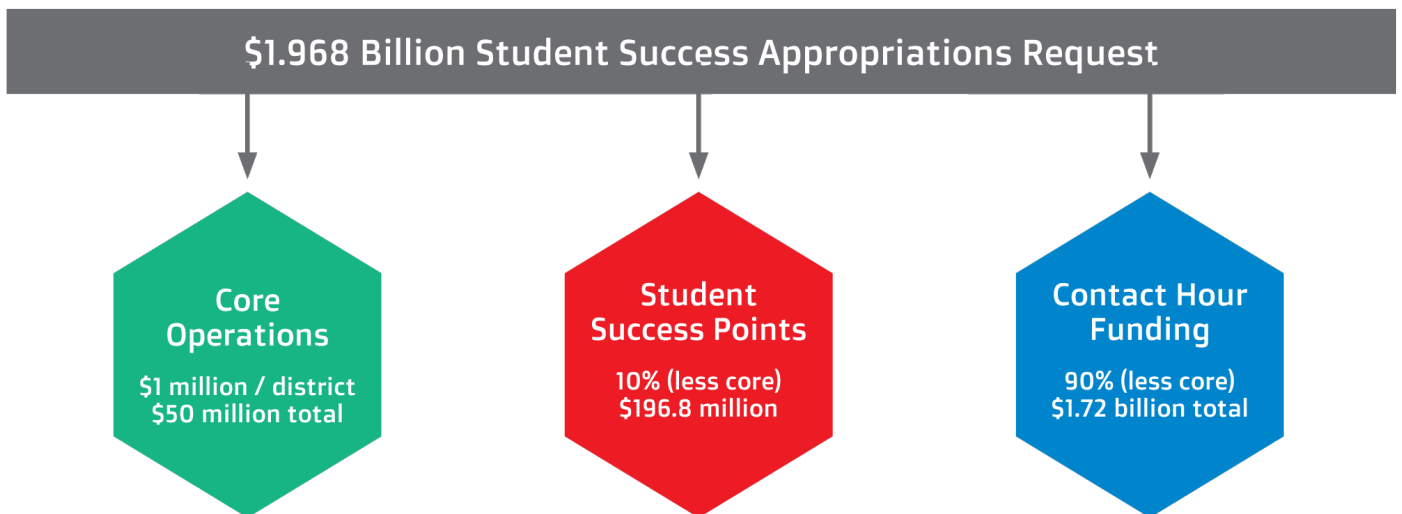
- Workforce and Skills Alignment
- Measuring and Funding Success
- College Readiness
- Transfer and Articulation
- Texans in Community Colleges

Measuring and Funding Success

State Funding

For colleges to be capable of effectively serving students, their communities, and the state they must be funded adequately. TACC believes there is a need to create a new way for the state to fund our institutions. To best accomplish the goal of student success, state funding should be broken down into three different components:

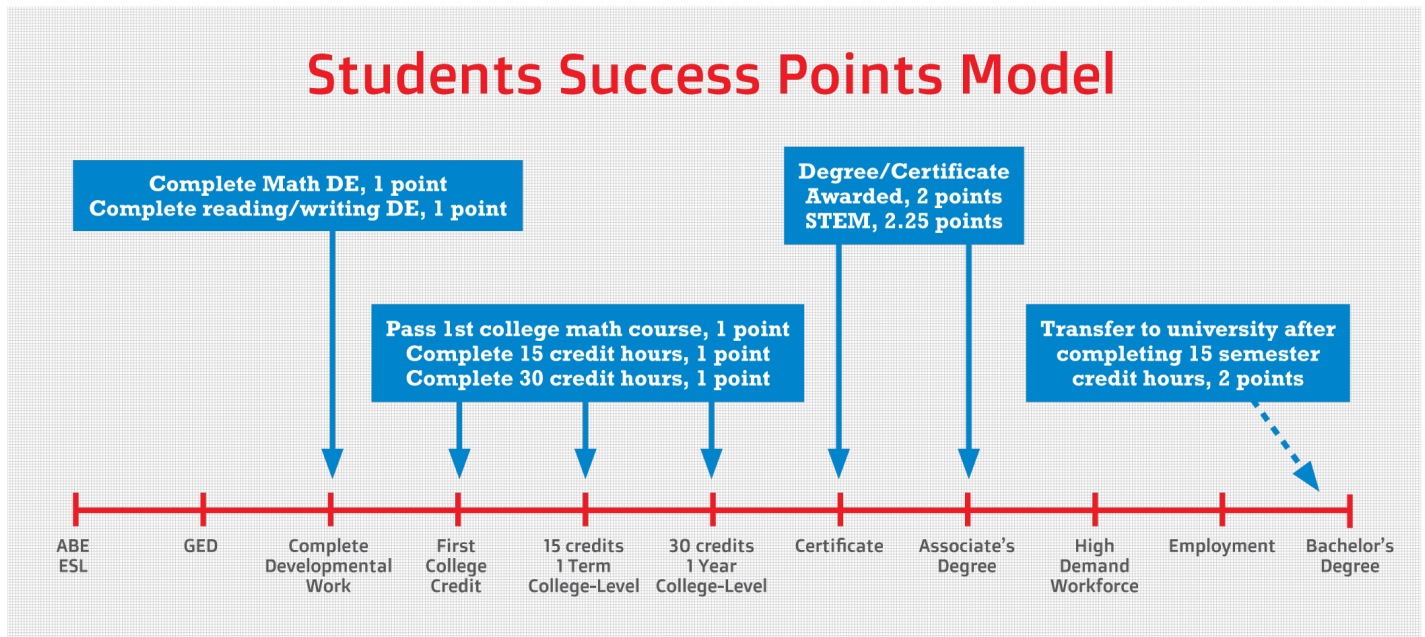
- Core college operations: All colleges have basic operating costs regardless of geographic location or institutional size. (This funding would be set aside before other two funding elements).
- Student Success Points: Ten percent of funding (less core operations) should be based on the metrics recommended in the Student Success Points.
- Contact hour: Ninety percent of state funding (less core operations) for colleges should be based on the number of instructional contact hours each college generates.



Student Success Points

Student success in community colleges consists of effectively meeting the educational goals of students.

Community colleges are committed to increasing student success in Texas regardless of the student's starting point or his/her destination. Building on the Momentum Points work between the Coordinating Board and the community colleges, TACC recommends a Student Success Points system that recognizes student achievement along a continuum from successful completion of college readiness courses to intermediate success measures to successful outcome metrics. The model also pinpoints area where metrics need to be developed and then included in the measurement of student success (e.g., ABE and High Demand Workforce metrics).



Restoration of Employee Benefits

Student success cannot be achieved without quality faculty and support staff. Colleges must be able to recruit and retain such talent, which requires providing excellent employee benefits. The state must remain our partners in providing these benefits to our employees in a way that is cost effective for the college and employees.

TACC requests the restoration of state employee Health Insurance Funding to 60% of ERS costs, and a return to 84% of ERS costs in the 84th session.

Funding for the state's employer share of Community College employees' retirement at the Teachers Retirement System should be based on constitutional requirements.

Other Funding Issues

Mid-Biennium Funding Reallocation

Remove language in rider #2 of the Community College bill pattern in the General Appropriations Act, which was added last legislative session requiring a reallocation of state funding in the second year of the biennium:

2. Administration of Appropriated Funds. Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

To ensure the efficient allocation of state appropriations, the Coordinating Board shall reallocate the formula funds appropriated in this bill pattern in the second year of the biennium using certified contact hour data from the previous academic year. The Higher Education Coordinating Board shall exclude contact hours related to physical education courses for students who are registered to receive both high school and college credit from the contact hours used to reallocate formula funds in the second year of the biennium.

Exceptional Item Requests/Special Item Requests

Since 1996, the special item policy of the Texas Association of Community Colleges has been to neither solicit nor accept new special item appropriations. TACC does support the existing special items: Southwest Collegiate Institute for the Deaf, the Virtual College of Texas, STARLINK, the Small Business Development Center, the Import/Export Training Center, and three museums (Star of the Republic, Heritage Museum/Genealogy Center, and American Airpower Heritage Museum). Before addressing specific items, it should

be noted that special items are less than one percent of the General Revenue appropriation to community colleges.

- *STARLINK*: STARLINK is one of two community college programs that enhance distance learning opportunities funded by the state. The STARLINK Training Network is in its twentieth year of providing innovative ideas, cutting-edge experts, and state-of-the-art training to higher education professionals via DVD and the Internet. As an agency of the Texas Association of Community Colleges, STARLINK offers cost-effective, high quality and dynamic learning opportunities to educational institutions, governmental agencies, and other public entities. The STARLINK network currently provides over 100 hours of professional development programming annually. TACC supports Dallas County Community College District's exceptional item request in the amount of \$161,480, which will return the funding level for STARLINK to \$561,668 (FY2010-11 levels).
- *Virtual College of Texas*: The Virtual College of Texas (VCT) is the other state-wide distance learning program funded by the state. VCT maximizes student access to higher education with its seamless model of delivering distance education. VCT makes it possible for a student to enroll in his/her local college for a distance education courses provided by other community or technical colleges in the state. Leveraging funds provided by the Legislature, VCT obtained statewide collaborative licenses for web-based services that support improving student success and distance-learning course quality. Through FY 2010 there have been over 56,000 enrollments in courses offered through VCT. TACC supports Austin Community College's exceptional item request in the amount of \$287,500, which will return the funding level for VCT to \$1,000,000 (FY2010-11 levels).

Financial Aid

The ability to afford college opportunities is an issue that many students struggle to overcome. In Texas, less than ten percent of all grant aid to community college students comes from the state of Texas. But these dollars can be critical in allowing a student to pay for their education.

TACC endorses the recommendation of the Sunset Commission to remove all two-year institutions from participation in the B-On-Time loan program and transfer the funding for public two-year institutions to the Texas Educational Opportunity Grant program.

TACC recommends increased flexibility for community college financial aid directors to move funds between state financial aid programs thereby allowing them to direct funds in the most efficient manner.

Skills Development Fund

Texas community colleges are educating students and building their skills in the industries that are critical to sustaining Texas prosperity. Community colleges play an essential role in the health and prosperity of their local communities, regions, and the state. Providing offerings that link workforce demands to quality educational offerings that meet industry requirements. A key tool in achieving these goals is the Skills Development Fund (SDF).

TACC recommends reforming the Skills Development Fund to enhance the ability of community colleges to work with multiple employers to better serve students and workforce needs in their regions around the state.

The SDF allows a business or trade union to identify a training need, and then partner with a public community college to fill its specific needs. Businesses work with their college partners to submit proposals, develop curricula and conduct training. The SDF pays for the training, the college administers the grant, and businesses create new jobs and improve the skills of their current workers.

Adult Basic Education

Community colleges are a primary provider of ABE opportunities across Texas. This is part of the state directed mandate for our colleges in Sec. 130.0011 of the Education code, which requires community colleges in Texas to be open enrollment institutions. We recognize the need to serve these students but suggest several key recommendations to make ABE more efficient and effective.

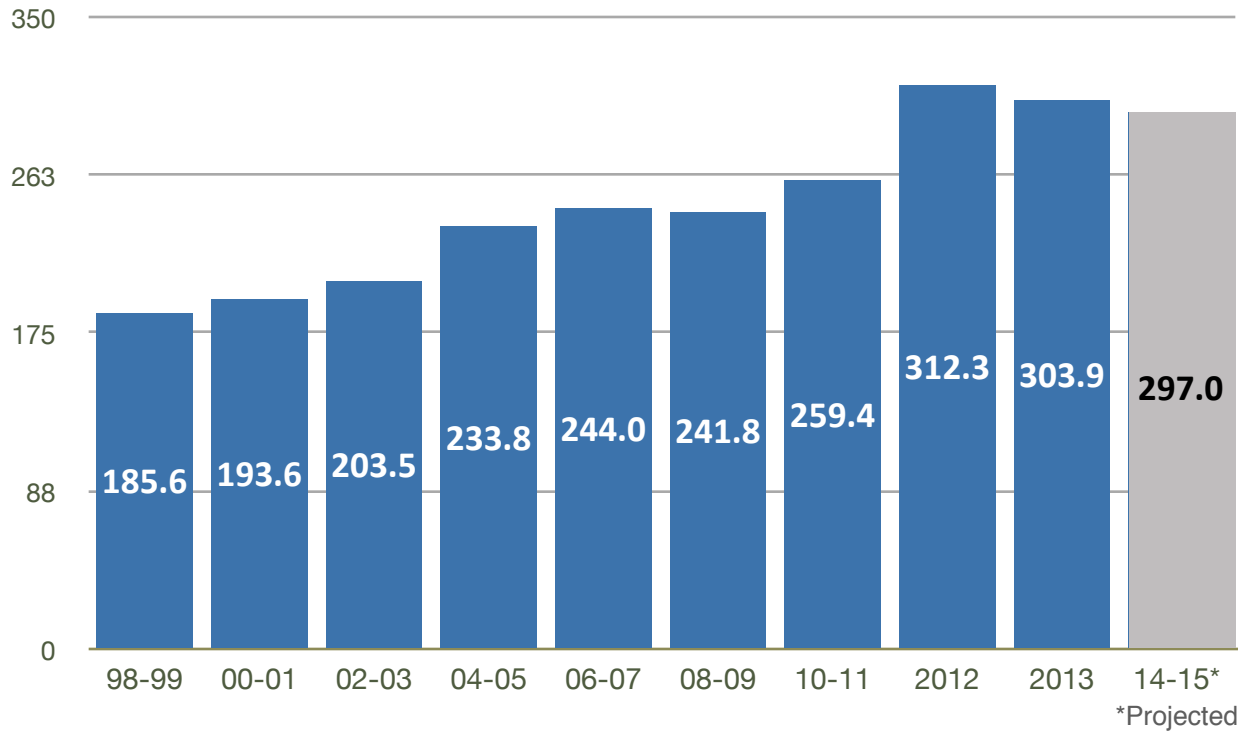
TACC recommends the State provide sufficient funding for ABE. Texas currently serves slightly more than 100,000 students through ABE providers across the state. However, that is a small fraction of the more than 3 million eligible for ABE. This can be traced directly to the low level of state funding for this critical opportunity for so many Texans.

TACC recommends the state oversight of ABE be moved from the Texas Education Agency to the Texas Higher Education Coordinating Board Texas needs better alignment with Developmental Education, Continuing Education, and Credit programs of study. When ABE is offered on college campus, there is a powerful “place” effect for students to learn about college and see themselves as college students.

Bachelor of Applied Technology

Implied in our earlier discussion of the community college funding is that the state should continue to provide funds for the Bachelor of Applied Technology (BAT). BATs are meeting the workforce needs of the local business community. The presidents of Brazosport College, Midland College, and South Texas College are here today and can expand on the benefits of funding BAT.

Base Year Contact Hours: 1998-99 to 2012-13 (in millions); Projected 2014-15



Compared to the 2010-11 base year contact hours:

- FY 2012 contact hours increased 20.4%
- FY 2013 contact hours increased 17.2%

Projected FY 2014-15 contact hours (297 million, TACC estimate):

- a 14.5% increase over the 2010-11 base year
- a 4.9% decrease from FY 2012 base year
- a 2.3% decrease from FY 2013 base year