

Implications of SB 2/HB 2 on Texas Community Colleges

Community Colleges have three sources of revenue:

1

State Appropriations

2

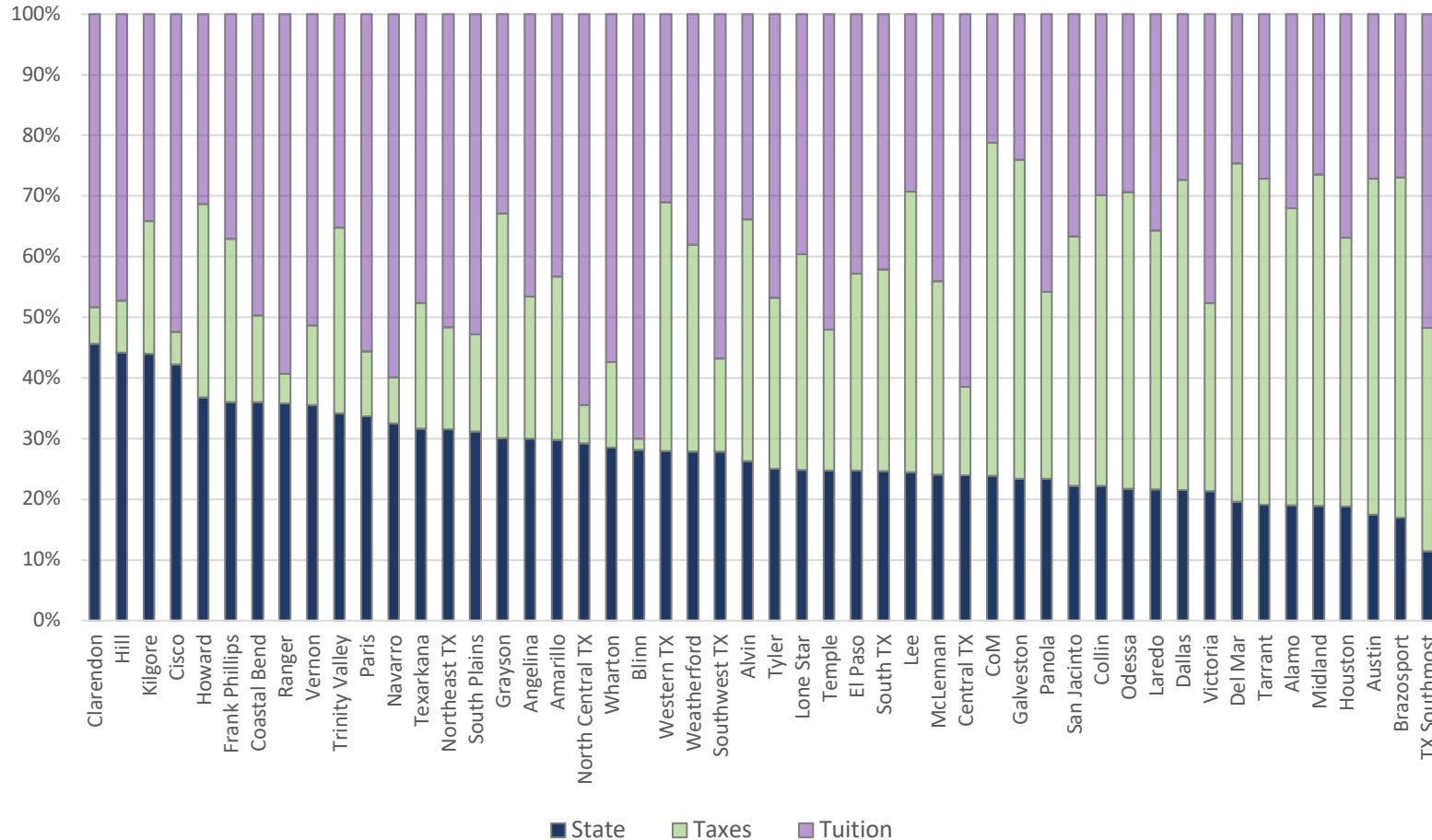
Local Ad Valorem Taxes

3

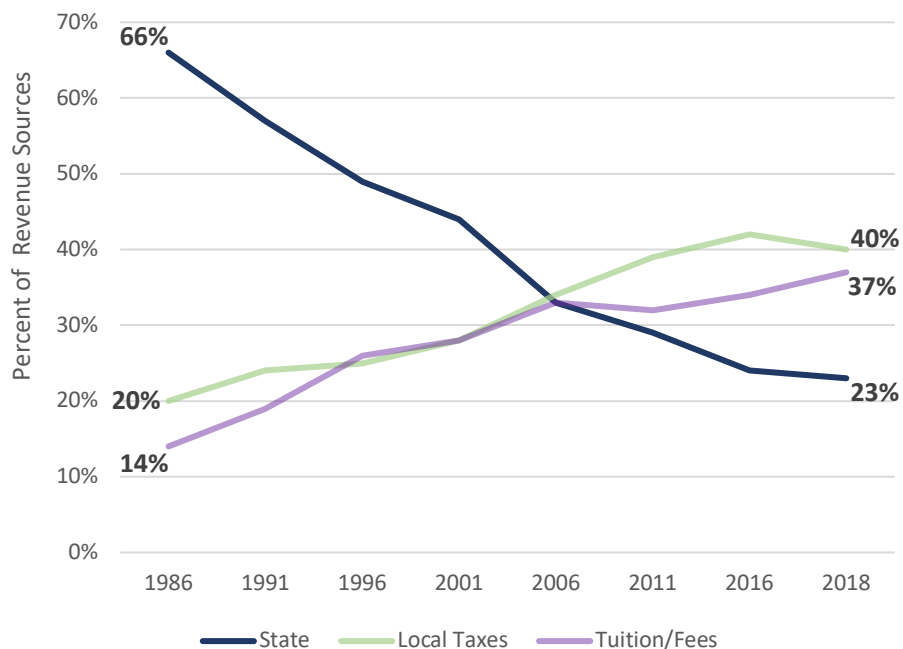
Tuition & Fees

The 3rd lowest tuition in the nation

Relative Composition of FY 2018 Primary Operating Revenue at Texas Community Colleges, by Source

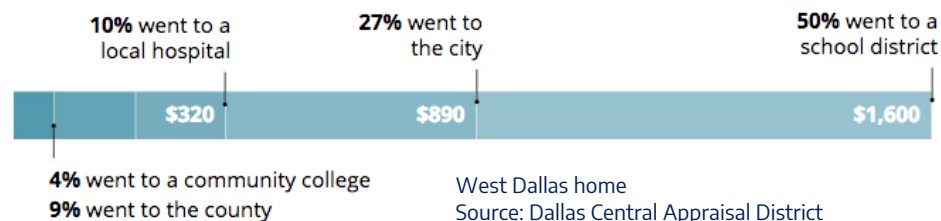


Composition of Primary TX Community College Operating Revenue by Source, 1986-2018



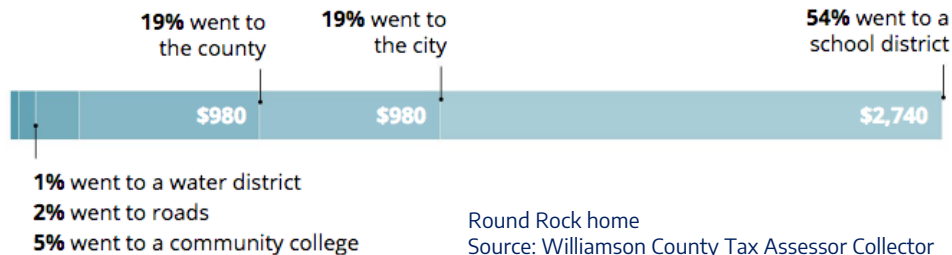
Property tax bill breakdown

In 2018, this property was valued at \$114,100 and owed an estimated \$3,200 in property taxes. Here's where that money went.



Property tax bill breakdown

In 2018, this property was valued at \$234,700 and owed an estimated \$5,100 in property taxes. Here's where that money went.



Property values and tax rates are rounded to the nearest 100. In property tax bill breakdowns, decimals are rounded to the nearest whole number and revenues for the taxing units are rounded to the nearest 10.

Source: Texas Tribune, 02.22.2019

Implications of SB2 & HB2

Analysis of Texas comptroller data,
TACC estimates that:

- 30 community college districts would have exceeded a 2.5% rollback rate in 2017.
- 47 of the 50 community college districts would have exceeded a 2.5% rollback rate in at least one of the five years, 2013-2017; and
- 31 would have exceeded it in three or more of those five years.
- If all community colleges had stayed below a 2.5% rollback rate in the most recent three years for which data is available (2015-17):
 - Their average annual loss of local tax dollars would have been about \$68 million statewide; and
 - Assuming state funding remained the same, to recover the lost funds, the 45 impacted colleges would have needed to raise tuition and fees by \$170 annually on average (weighted for enrollment) for students taking 15 semester credit hours.

