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

- State
- Taxes
- Tuition
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.