

Presentation to TASB/TACCA  
Post-Legislative Seminar

**Community College  
Finance:  
Updates from the  
86th Legislature**

**Chris Fernandez**

Director of Policy Analysis

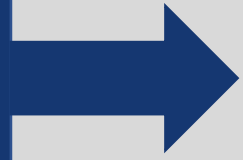
**Dustin Meador**

Director of Government  
Relations

**August 2, 2019**



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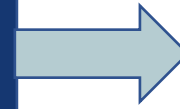
**advocacy**



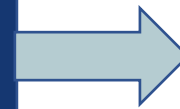
**Issue/bill briefs**  
**Data on CC enrollments,  
taxation, tuition**  
**TACC policy positions**  
**Legislative testimony**  
**Presentations and reports**



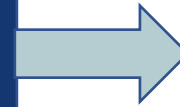
# **SB2 and Community College Property Taxes**



**Community colleges  
exempt from lowered voter  
approval rate ("rollback") of  
3.5%; hold at 8%**



**Voter petition becomes  
automatic**



**New transparency and  
taxpayer notification  
requirements**

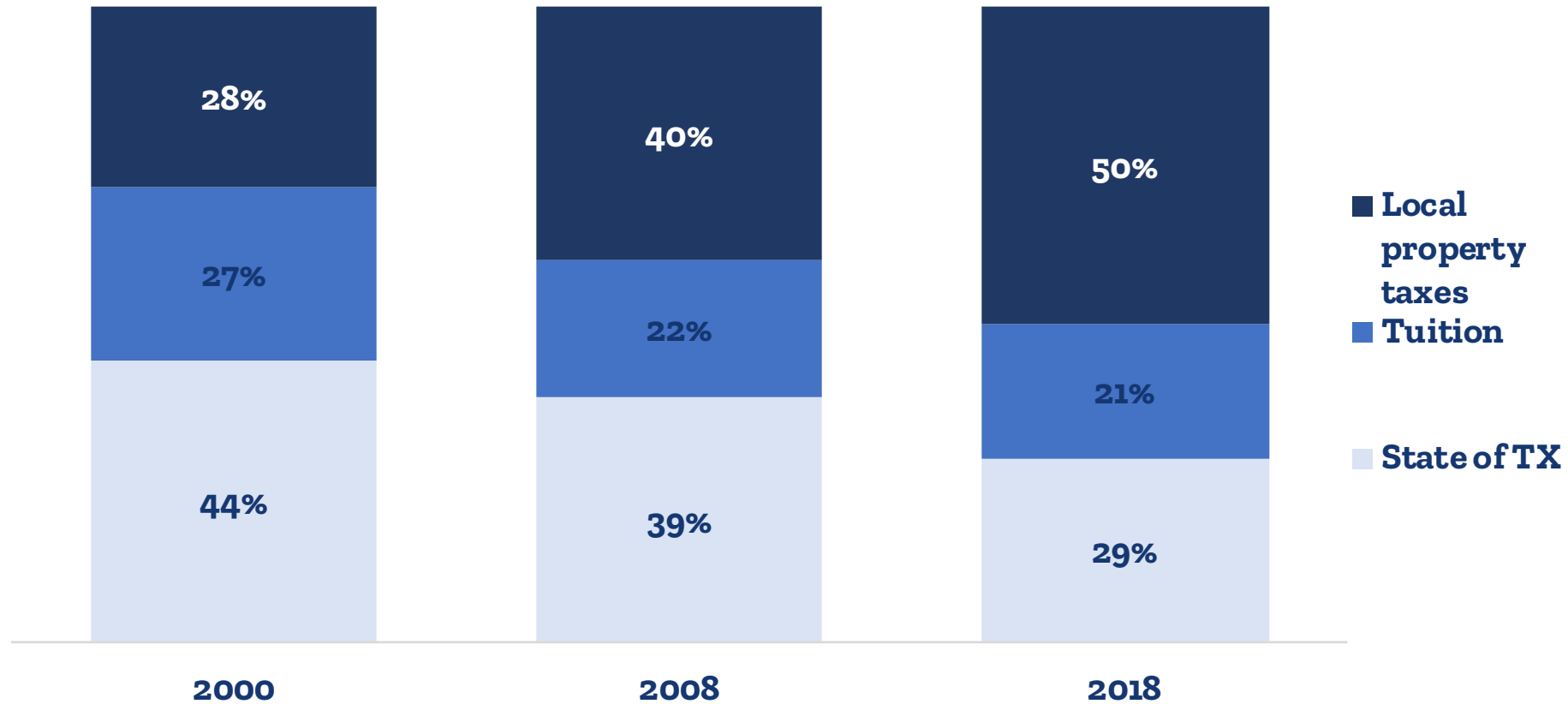


# The Original Proposal

- 2.5% rollback rate with election trigger **for any taxing unit other than a small taxing unit**
- **Small Taxing Unit:** less than \$15 million levy; 8% rollback rate
- For FY 18, 23 of 50 community college districts would have been **taxing units other than a small taxing unit** in SB2 as filed
- From FY 14 to 17:
  - 19 CCDs impacted
  - \$61.7m statewide impact
  - \$201 avg 2017 tuition/fee increase at impacted CCDs
- From FY 21 to 25 (projection)
  - 16 CCDs impacted
  - \$394.1m statewide impact
  - \$879 avg cumulative tuition/fee increase at impacted CCDs

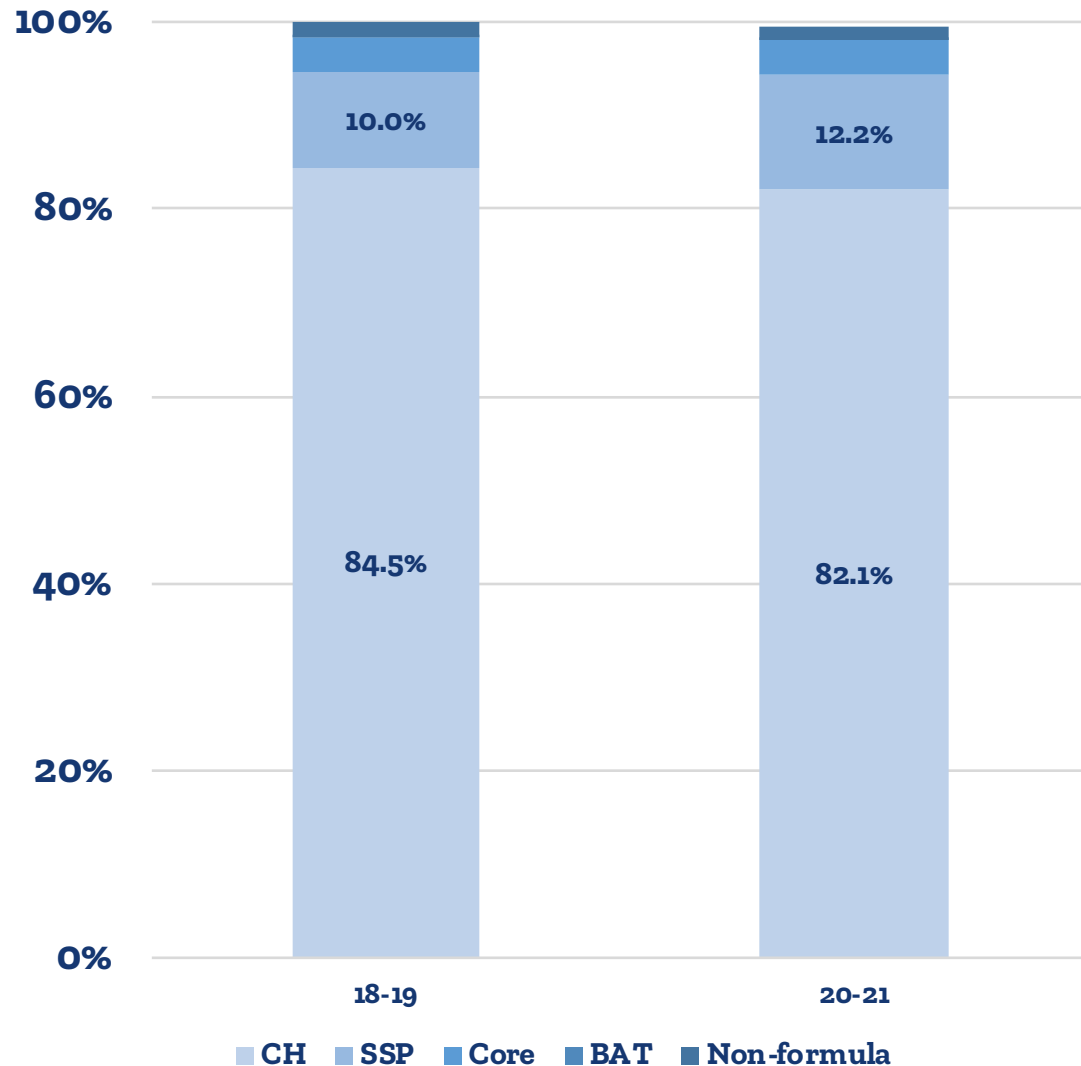


# Community College Primary Domestic Revenue Sources



# How Texas Funds Community Colleges

## Legislative Appropriations by Biennium and Fund Type



**Grants & Contracts (6.5% of state funds)**

**Legislative Appropriations (93.5%)**

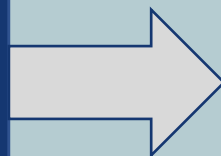
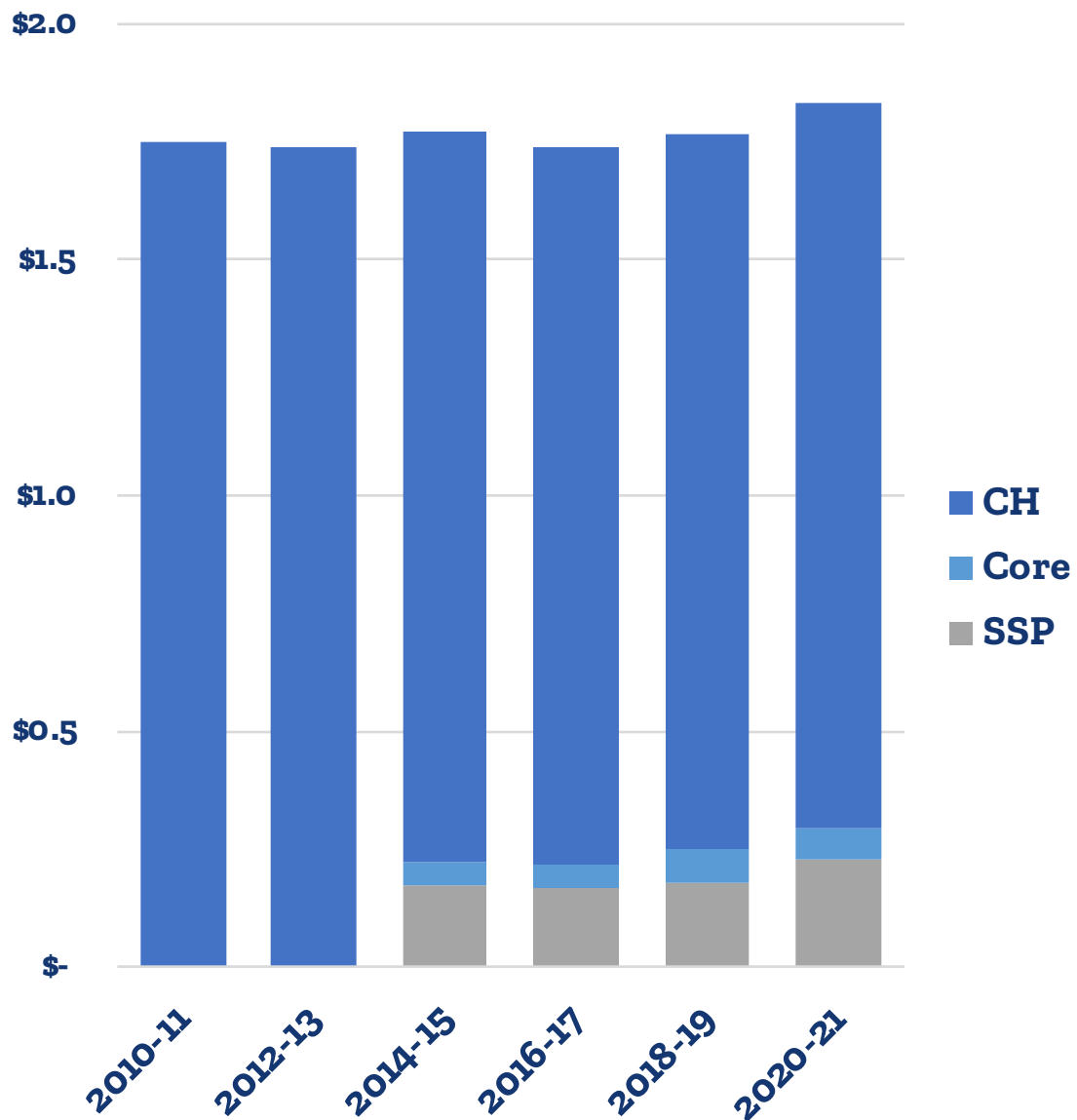
- **Non-formula funding ("special items")**
- **Formula funding**
  - **Contact Hours (CH)**
  - **Student Success Points (SSP)**
  - **Core Operations**
  - **Bachelor's of Applied Technology (BAT)**

**85th Legislature (FY18-19): \$1.795b**

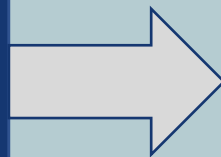
**86th Legislature (FY20-21): \$1.868b**



## Instructional/Admin Appropriations, 2010-11 to 2020-21 (billions)



**All-time high instructional  
appropriation: \$1.83 billion**



**All-time high % (and \$)  
appropriated via SSP: 12.5%  
(\$228m)**



# General Appropriations Act – 86th Legislature

<i>Appropriations for:</i>	<i>2018-19</i>	<i>2020-21</i>	<i>difference</i>	
			<i>\$</i>	<i>%</i>
Contact Hour	\$ 1,516,635,798	\$ 1,533,740,830	\$ 17,105,032	1.13%
Core Operations	\$ 68,040,600	\$ 68,040,600	\$ -	0.00%
Student Success	\$ 179,955,686	\$ 228,296,133	\$ 48,340,447	26.86%
B.A.T.	\$ 2,769,152	\$ 3,229,696	\$ 460,544	16.63%
<b>Formula Sub-total</b>	<b>\$ 1,767,401,236</b>	<b>\$ 1,833,307,259</b>	<b>\$ 65,906,023</b>	<b>3.73%</b>
Hold Harmless	\$ -	\$ 1,948,937	\$ 1,948,937	
Non-formula items	\$ 27,118,809	\$ 36,348,505	\$ 9,229,696	34.03%
<b>Non-formula Sub-total</b>	<b>\$ 27,118,809</b>	<b>\$ 38,297,442</b>	<b>\$ 11,178,633</b>	<b>41.22%</b>
HEGI	\$ 364,939,071	\$ 368,189,474	\$ 3,250,403	0.89%
Retirement (TRS/ORP)	\$ 117,801,617	\$ 172,269,086	\$ 54,467,469	46.24%
<b>Benefits sub-total</b>	<b>\$ 482,740,688</b>	<b>\$ 540,458,560</b>	<b>\$ 57,717,872</b>	<b>11.96%</b>
<b>TOTAL</b>	<b>\$ 2,277,260,733</b>	<b>\$ 2,412,063,261</b>	<b>\$ 134,802,528</b>	<b>5.92%</b>





# Student Success Points: Our performance-based funding

<i>Metric</i>	<i>Current Weight</i>	<i>Proposed Weight</i>
Dev Ed- Math	1.0	1.0
Dev Ed- Reading	0.5	0.5
Dev Ed- Writing	0.5	0.5
15 credit hours	1.0	1.0
30 credit hours	1.0	1.0
4yr transfer, >= 15 hrs	<b>2.0</b>	<b>2.75</b>
Gateway Course- Math	1.0	1.0
Gateway Course- Reading	0.5	0.5
Gateway Course- Writing	0.5	0.5
Awarded Credential- Critical Field	<b>2.25</b>	<b>3.0</b>
Awarded Credential	<b>2.0</b>	<b>1.2</b>

<i>3yr Period</i>	DE- Math	DE- Reading	DE- Writing	15 hrs	30 hrs	Transfer	GC- Math	GC- Reading	GC- Writing	Critical cred	Credential	<b>Total</b>	<b>% increase</b>
FY16-18	40,216	16,931	14,574	213,737	131,629	138,523	128,125	104,008	86,581	51,698	198,433	<b>1,124,455</b>	<b>14.5%</b>
FY15-17	35,436	15,432	14,194	208,242	127,105	138,828	125,233	101,703	84,392	50,923	185,649	<b>1,087,137</b>	<b>10.7%</b>
FY14-16	29,611	14,313	13,446	204,230	124,339	137,380	121,526	99,004	82,389	50,155	172,558	<b>1,048,949</b>	<b>6.8%</b>
FY13-15	27,625	14,238	13,189	201,490	122,998	135,278	111,332	94,826	79,889	49,451	159,202	<b>1,009,516</b>	<b>2.8%</b>
FY12-14	27,670	15,192	13,292	200,238	122,729	132,914	104,314	91,827	78,136	48,156	147,872	<b>982,340</b>	-



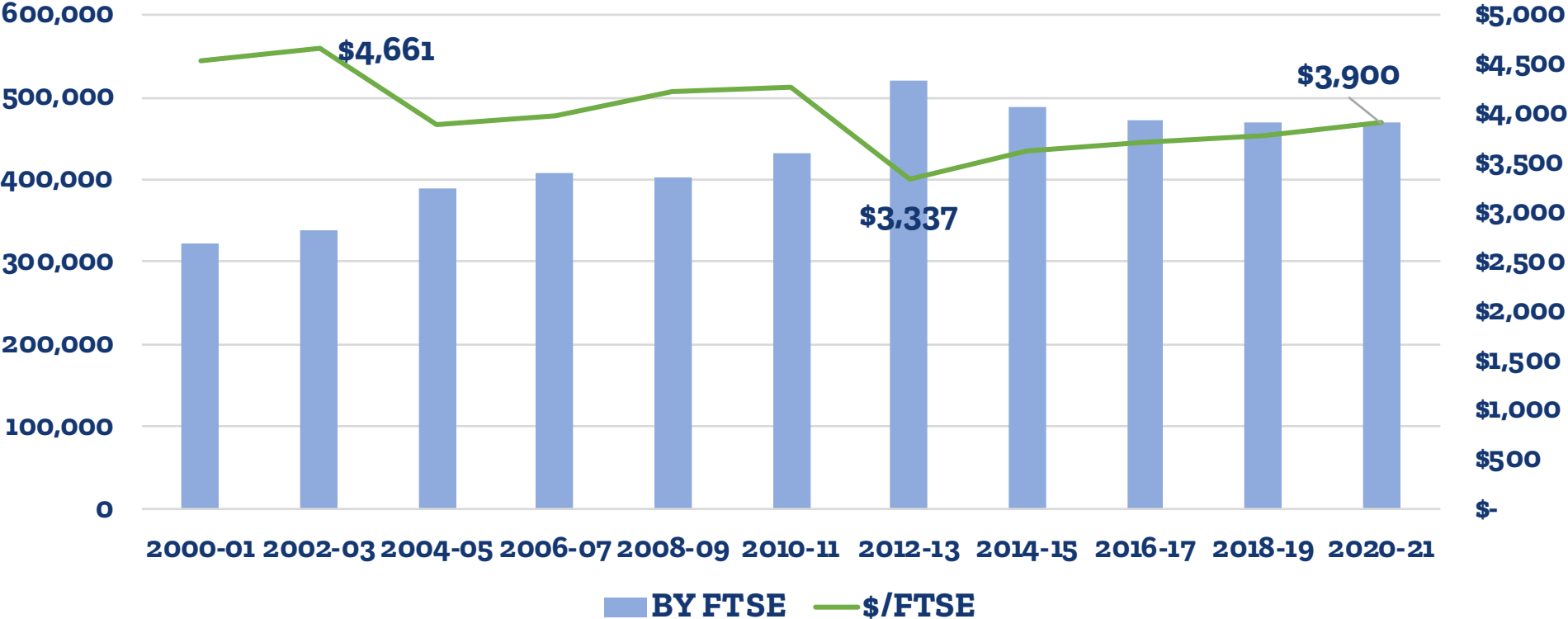
# Student Success Point Funding

## Legislative Appropriations per Success Point



# Contact Hours and Total Instructional Funds per Student

Base Year Full-Time Equivalents and Instructional Appropriations per Full-Time Equivalent, by Biennium



***THANK YOU!***



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