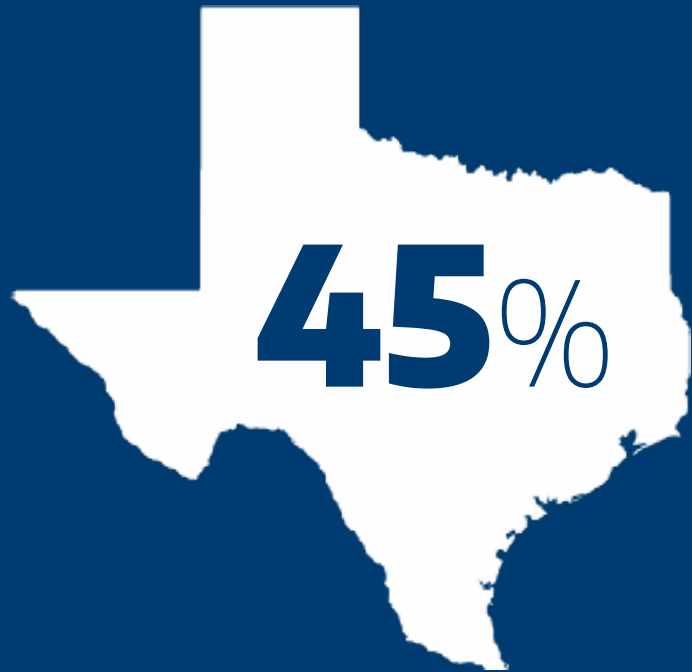


# Texas Commission on Community College Finance: Final Recommendations



Texas Association of  
Community Colleges



Texas community colleges enroll 45% of all postsecondary students in the state.

## Our colleges:



Award

93%

of all career and technical education degrees & certificates

Enroll

92%



of all dual credit enrollments in the state

Provide a pathway for transfer



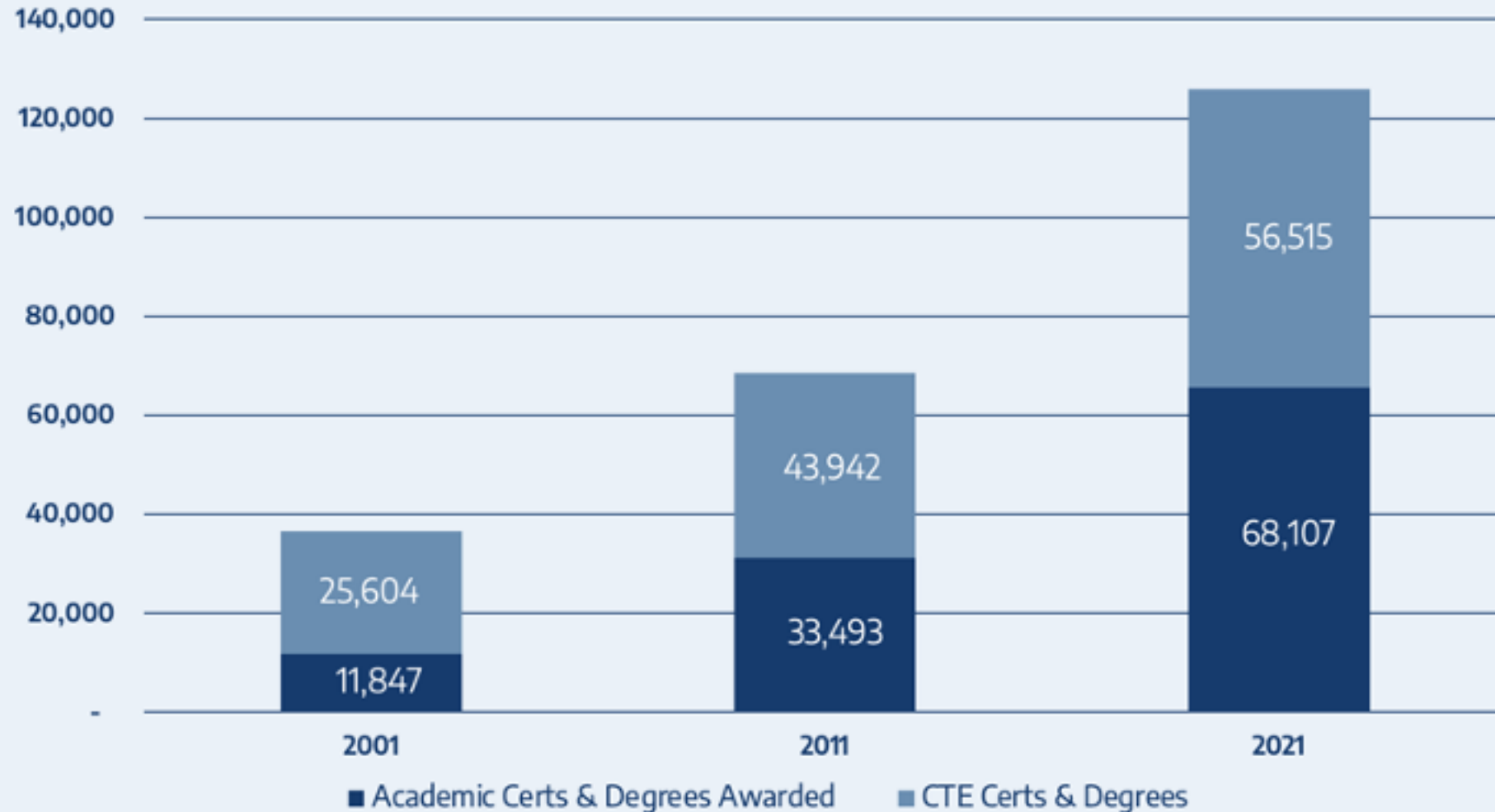
70%

of all FY2019 bachelor's degree graduates had some transfer credits from a two-year college

# Texas Higher Education Preliminary Enrollments

| Sector                              | Certified 2019 Enrollment | Certified 2020 Enrollment | Certified 2021 Enrollment | Preliminary 2022 Enrollment | Fall 2021 to Fall 2022 Percent Change | Fall 2019 to Fall 2022 Percent Change |
|-------------------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Public Universities                 | 657,985                   | 667,046                   | 665,213                   | 667,974                     | 0.4%                                  | 1.5%                                  |
| Public Community Colleges           | 726,300                   | 650,499                   | 639,546                   | 640,582                     | 0.2%                                  | -11.8%                                |
| Public State and Technical Colleges | 20,810                    | 23,106                    | 25,818                    | 26,579                      | 2.9%                                  | 27.7%                                 |
| Health-related Institutions         | 29,735                    | 30,528                    | 31,548                    | 31,869                      | 1.0%                                  | 7.2%                                  |
| Independent Colleges Universities   | 125,918                   | 125,373                   | 128,242                   | 128,255                     | 0.0%                                  | 1.9%                                  |
| <b>Total</b>                        | <b>1,560,748</b>          | <b>1,496,552</b>          | <b>1,490,367</b>          | <b>1,495,259</b>            | <b>0.3%</b>                           | <b>-4.2%</b>                          |

# Texas community colleges help meet workforce needs



Total  
Certificates  
and Degrees  
Awarded by  
Community  
Colleges

# Texas community colleges are currently funded through 3 main sources of revenue



**State Appropriations**



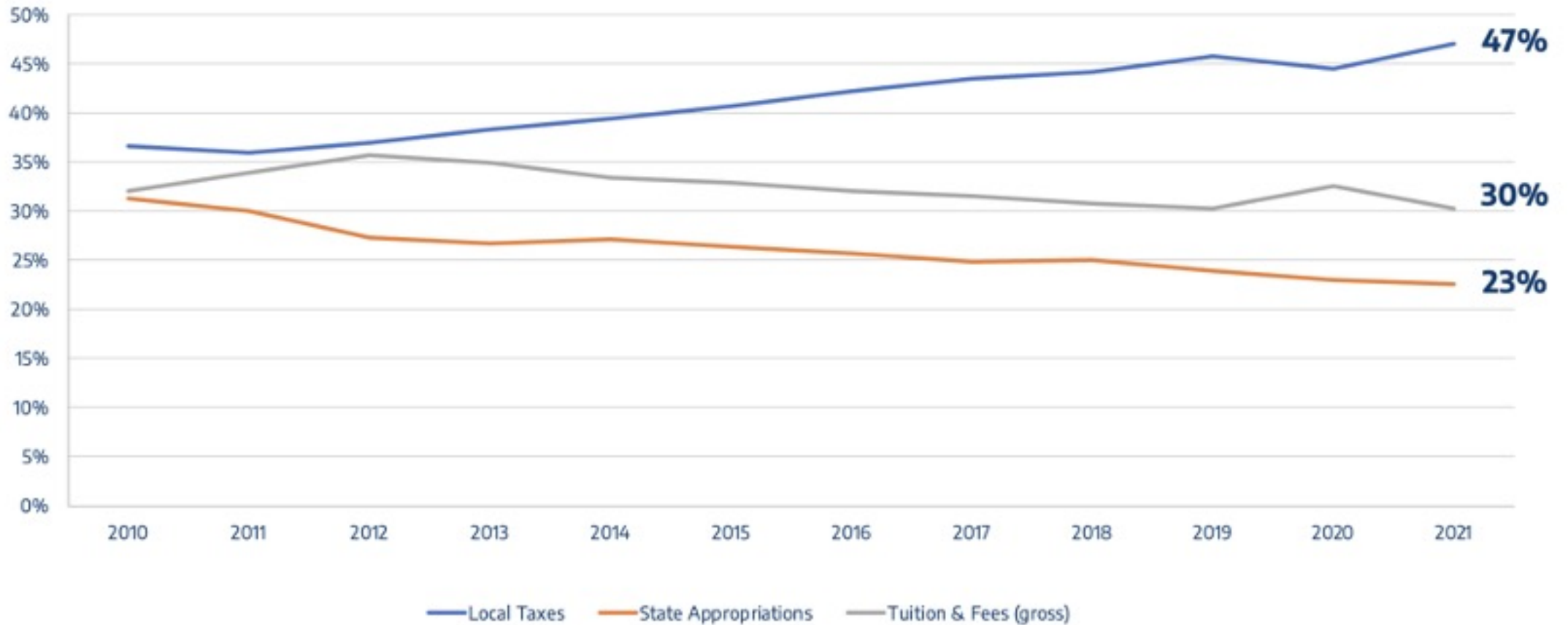
**Local Property Taxes**



**Tuition & Fees**

# Funding streams have significantly changed

Relative composition of primary revenue sources, 2010-2021



A BILL TO BE ENTITLED  
AN ACT

relating to establishing the Texas Commission on Community College Finance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter G, Chapter 130, Education Code, is amended by adding Section 130.1305 to read as follows:

Sec. 130.1305. TEXAS COMMISSION ON COMMUNITY COLLEGE FINANCE. (a) The Texas Commission on Community College Finance is established to make recommendations for consideration by the 88th Texas Legislature regarding the state funding formula and funding levels for public junior colleges in Texas that would be sufficient to sustain viable junior college education and training offerings throughout the state.

(b) The commission is composed of 11 members as follows:

- (1) three members appointed by the governor;
- (2) three members appointed by the lieutenant

governor;

(3) three members appointed by the speaker of the house of representatives;

(4) one member appointed by the board of the Texas Association of Community Colleges; and

(5) one member appointed by the board of the Community College Association of Texas Trustees.

(c) Members appointed by the governor must be representatives of junior college leaders, business leaders, or other stakeholders knowledgeable in junior college mission, instructional programs, and finance.

(d) Members appointed by the lieutenant governor shall consist of:

- (1) two members of the Texas Senate; and
- (2) an administrator from an institution of higher education as defined by Section 61.003.

(e) Members appointed by the speaker of the house shall consist of:

- (1) two members of the house of representatives; and
- (2) an administrator from an institution of higher education as defined by Section 61.003.

(f) In making appointments, the governor, lieutenant governor, and speaker of the house of representatives shall

# 87 (R) – SB 1230

## Relating to establishing the Texas Commission on Community College Finance

### Passage: May 7, 2021

#### Commission goal:

The commission shall make recommendations for consideration by the 88th Texas Legislature for establishing a state funding formula and funding levels sufficient for sustaining viable community college education and training offerings throughout the state.



# Commission Appointees

## Chairman



**Woody Hunt**  
Senior Chairman of the  
Board of Hunt Companies



**Brandon Creighton**  
Texas State Senate



**Dr. Mark Escamilla**  
President,  
Del Mar College



**Dr. Steve Head**  
Chancellor,  
Lone Star College



**Dr. Brenda Hellyer**  
Chancellor,  
San Jacinto College



**Brian Jones**  
Director, Professional Learning  
at Odessa College



**Dr. Brenda Kays**  
President, Kilgore College



**Oscar Longoria**  
Texas House of  
Representatives



**Carol Scott**  
Chair, Del Mar College  
Board of Regents



**Larry Taylor**  
Texas State Senate



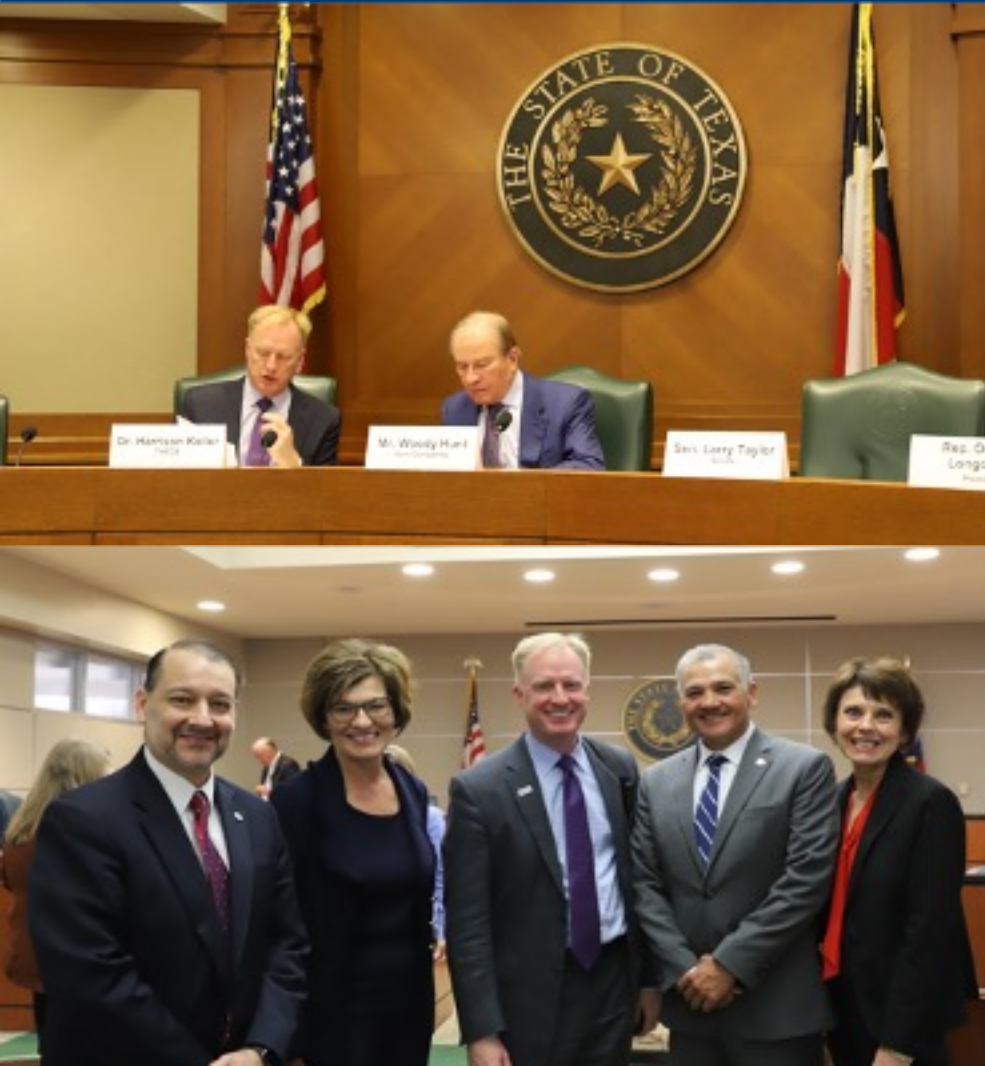
**Gary VanDeaver**  
Texas House of  
Representatives



**Todd Williams**  
CEO, The Commit Partnership

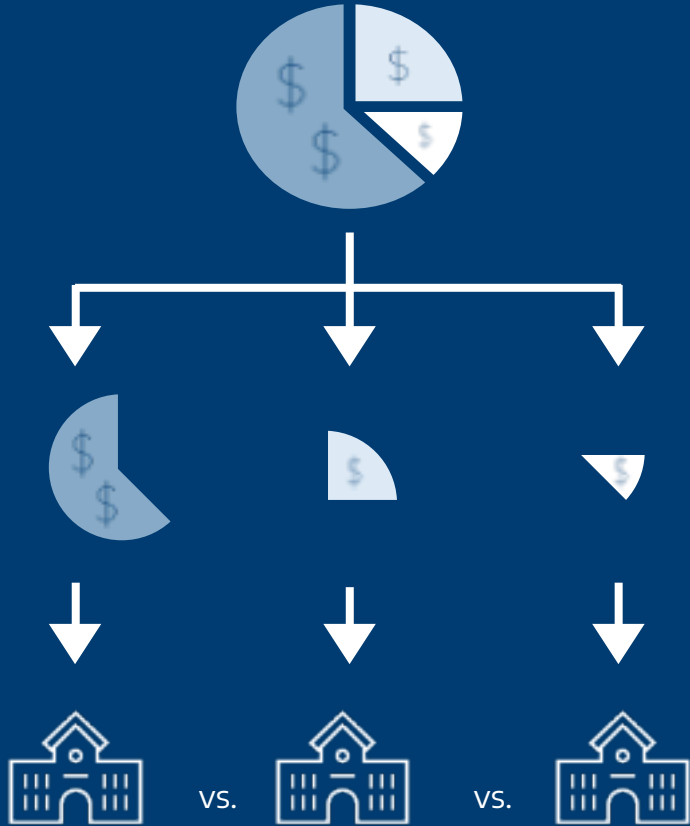


# TXCCCF Meeting Cadence

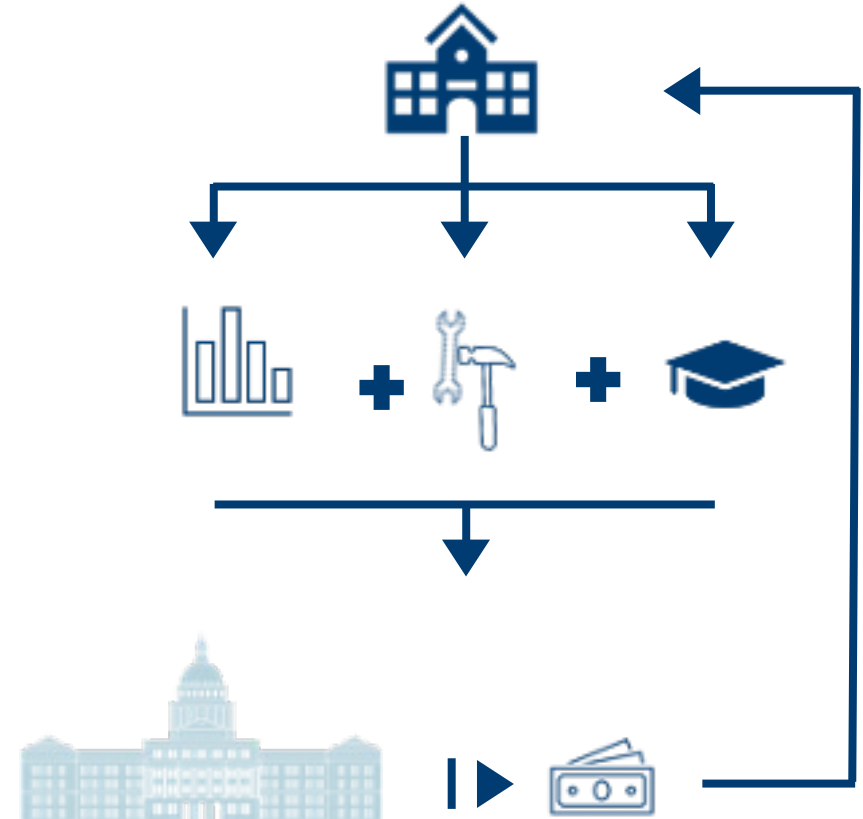


- **Inaugural meeting** – November 15, 2021
- The full Commission met a total **7 times**
- Commission broke into **three workgroups** to further explore topics:
  - College Operations
  - Student Supports
  - Workforce Policy
- **Final report timeline:**
  - **September 12, 2022** – Commission issued first draft of report
  - **October 18, 2022** – Commission presented updated draft and unanimously approved the recommendations
  - **November 17, 2022** – Final report published and made public
- **Texas Legislative Session starts January 10, 2023**

# Static Formula



# Dynamic Formula

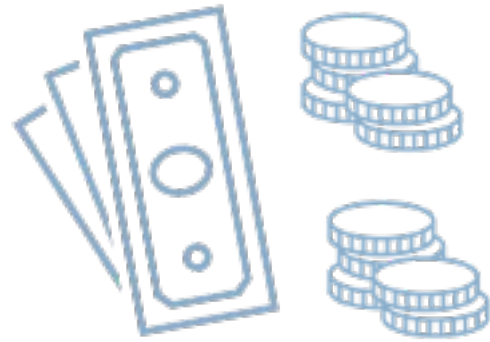


This is a **historic opportunity** to transition from a funding model that is static and merely redivides the same pie, to one that provides colleges with predictable funding based on outcomes.

# Key Changes from September Draft



The addition of **dual credit** courses that apply toward academic or workforce education program requirements as a metric to the outcomes-based formula in Recommendation 1.1.



A change in terminology from **“uniform” to “maximum” dual credit tuition rate** in Recommendation 2.2.



**Temporary hold harmless language** to ensure that no college receives less state funding under the new outcomes-based formula than what is provided under the current formula.



A recommendation to provide discretionary authority to the Texas Commissioner of Higher Education to address **“unintended consequences”** of the new funding formula.

# TXCCCF Final Recommendations

## 1. State Funding for Outcomes

\$430M

**Recommendation 1.1:** Develop a modern community college finance model that distributes the majority of state funding based on **measurable outcomes** aligned with regional and state workforce needs and state goals for *Building a Talent Strong Texas*.

- **Credentials of value**, including degrees, certificates, and other credentials from credit and non-credit programs that equip Texas students for continued learning and greater earnings in the state economy;
- Credentials of value awarded in **high-demand fields**;
- Students who **transfer** to four-year universities; and
- Students who complete a sequence of **dual credit courses** that apply towards academic and workforce program requirements.

The Commission also recommends that the outcomes-based formula include **robust incentives for completions and transfers of students who are economically or educationally disadvantaged and adult learners** to promote improved outcomes for populations that historically have completed postsecondary credentials at significantly lower rates.

**Recommendation 1.2:** Ensure community colleges across Texas can access foundational levels of funding for **instruction and operations** through a state-funded guaranteed yield for colleges with low taxable valuations.

**Recommendation 1.3:** Authorize the Commissioner to create a process to address **unintended negative consequences** from implementation of the new funding model.

# TXCCCF Final Recommendations

## 2. Affordability for Students

\$170M

**Recommendation 2.1:** Increase funding for **Texas Educational Opportunity Grants (TEOG)** and link state performance measures for eligible students served through TEOG at two-year institutions and TEXAS Grants at universities to establish a state goal of supporting at least 70 percent of qualified low-income college students in pursuing postsecondary credentials of value at public two- and four-year institutions.

**Recommendation 2.2:** Provide financial aid through colleges to cover tuition and required fees in dual credit courses for economically disadvantaged students. This new targeted **financial aid for dual credit** should also incorporate a maximum tuition rate for dual credit courses set annually by THECB to help ensure equitable access for high school students across the state to dual credit courses.

**Recommendation 2.3:** Expand partnerships among colleges and private employers for **paid work-based learning** opportunities, including work-study, apprenticeships, and internships related to students' programs of study, utilizing the work-based learning strategic framework developed by the Governor's Tri-Agency Workforce Initiative.

# TXCCCF Final Recommendations

## 3. Investments in College Capacity

\$50M

**Recommendation 3.1:** Provide one-time **seed grants for programs in high-demand fields** to support community colleges in rapidly standing up or expanding programs to meet regional and state workforce needs.

**Recommendation 3.2:** Support and facilitate **shared services** and stronger inter-institutional partnerships. THECB should facilitate shared services to enable individual colleges to improve operational efficiency and expand the range of academic and workforce programs they offer. These shared services might include support for inter-institutional partnerships, master service agreements, and state technology infrastructure, along with related feasibility studies.

**Recommendation 3.3:** Update state policies, and build upon the recent work by individual colleges, to help community colleges across the state provide high-quality non-credit credential programs that are **convertible and stackable** with credit-bearing programs. A state crosswalk of non-credit to credit courses and programs will improve transferability of workforce education courses across institutions and throughout students' pathways, from high school dual credit programs through pathways for adult learners to support ongoing reskilling, upskilling, and career advancement.

# Minimum Additional State Investment Needed



**Formula**

**\$430M**



**Financial Aid**

**\$170M**



**College Capacity**

**\$50M**

**TOTAL**

**\$650M**

# Thank you



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**Texas Association of Community Colleges**

<https://tacc.org/>