

# Advancing Efficiency and Equity in Texas Community College Finance


Commissioner Harrison Keller, Ph.D.

October 27, 2022

# Contents

- 1 Texas Community College Context
- 2 Texans' Views on Community Colleges
- 3 Texas Commission on Community College Finance
- 4 TXCCCF Recommendations
- 5 Next Steps

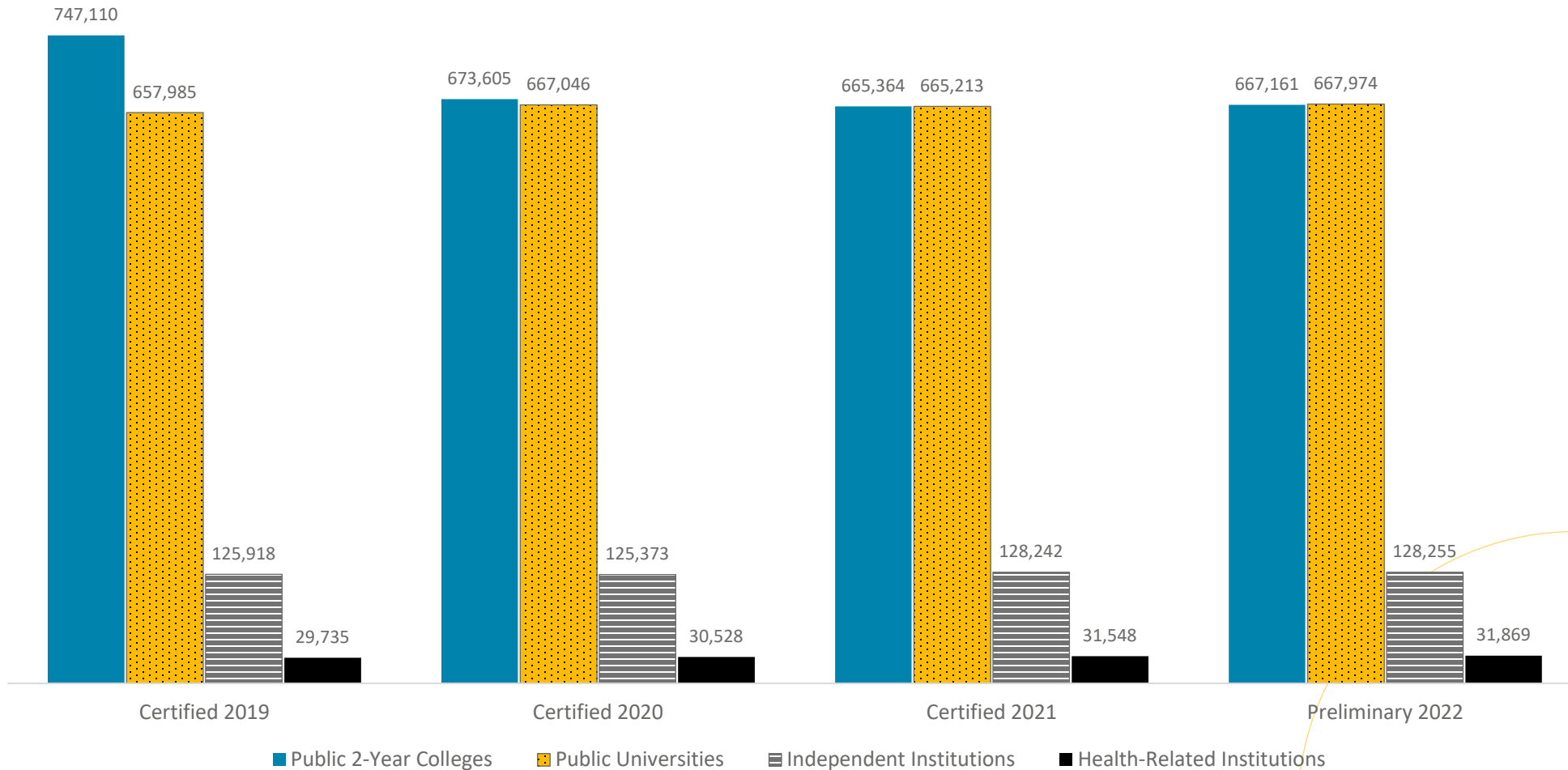
# Texas Community College Context



**“We project that by 2030,  
62 percent of all jobs in  
Texas will require some  
postsecondary education.”**

*Anthony Carnevale  
Director and Research Professor  
The Center on Education and the Workforce  
Georgetown University*

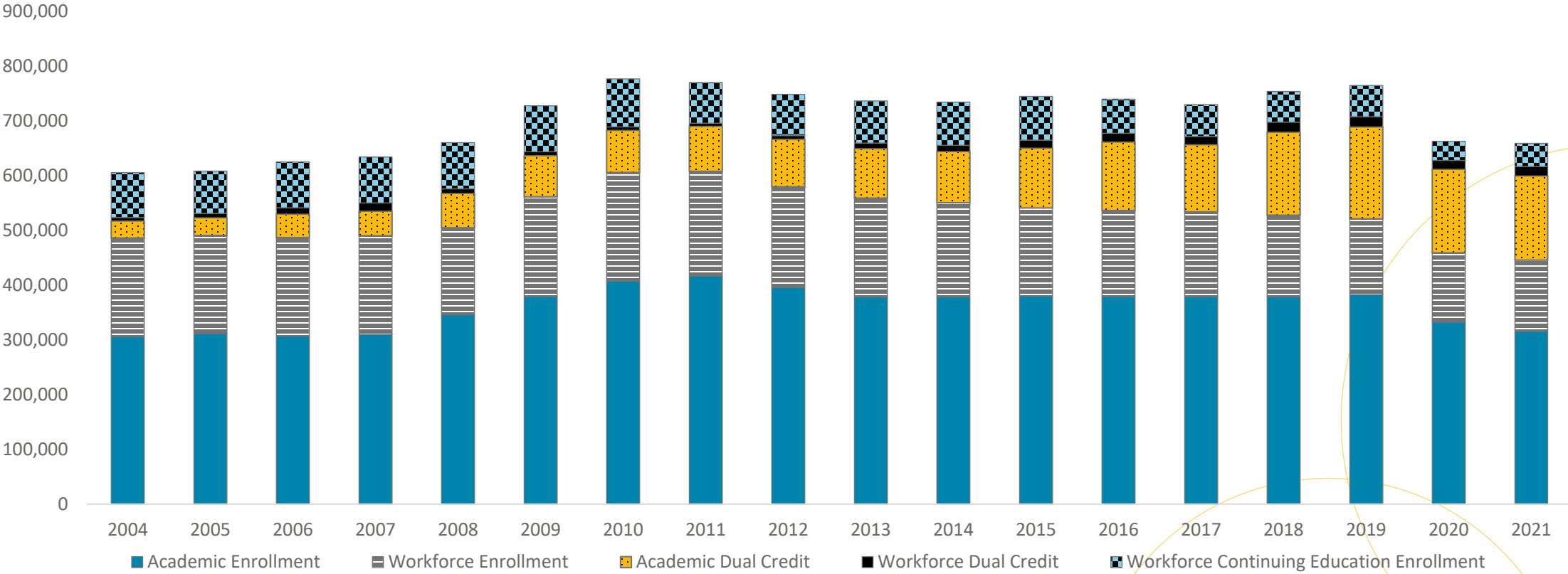
# Enrollments have been stable in Texas the last two years, except for 2-year institutions



**% CHANGE, 2019-2022**

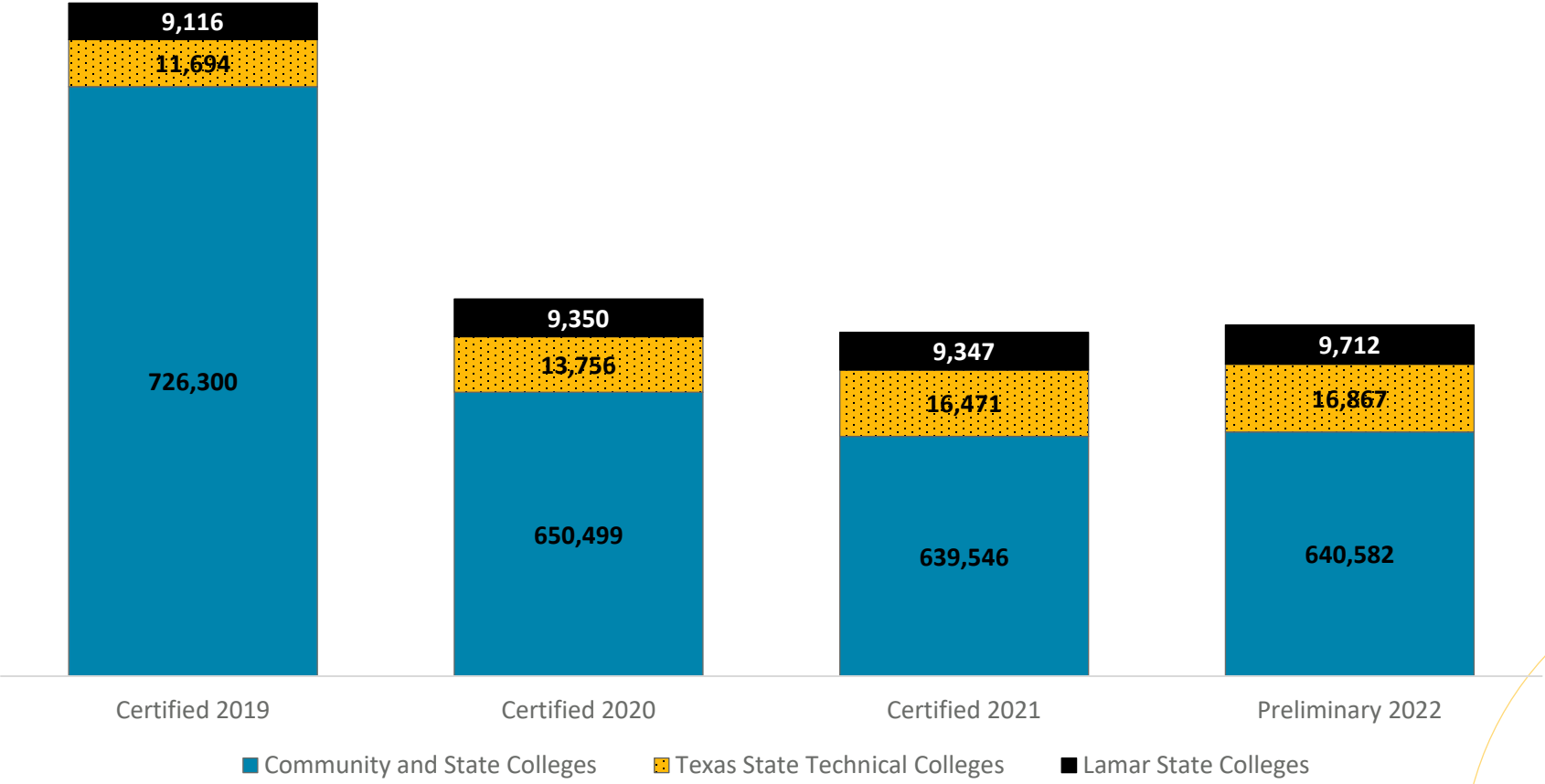
- Public 2-Yr Colleges: ↓ 10.7%
- Public Universities: ↑ 1.5%
- Independent Institutions: ↑ 1.9%
- Health-Related Institutions: ↑ 7.2%

# Community college enrollments, excluding dual credit, have declined for more than a decade



Academic enrollments excluding dual credit declined by **100,728** from their peak in Fall 2011 to Fall 2021  
 Traditional and continuing workforce education declined by **113,180** from their peak in Fall 2010 to Fall 2021

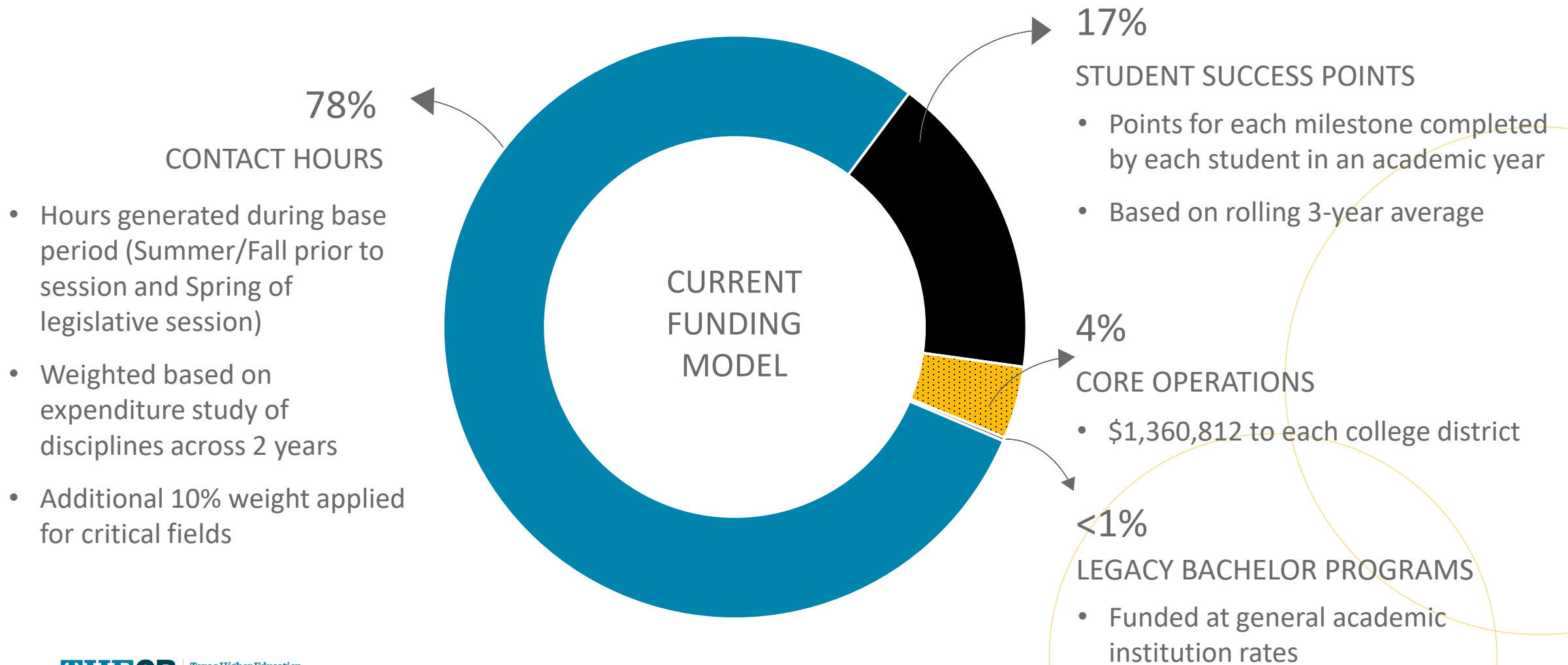
# Enrollment changes among Texas public two-year institutions have varied by type of college



**% CHANGE, 2019-2022**

- Community and State Colleges: 11.8%
- Texas State Technical Colleges: 44.2%
- Lamar State Colleges: 6.5%

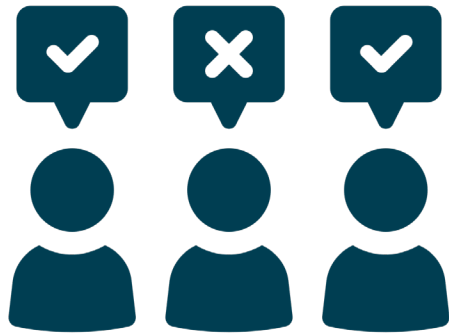
# Current Texas Community College Funding Formula





# Texans' Views about Community Colleges

# The Texas Higher Education Foundation commissioned a statewide poll to understand Texans' views about community colleges



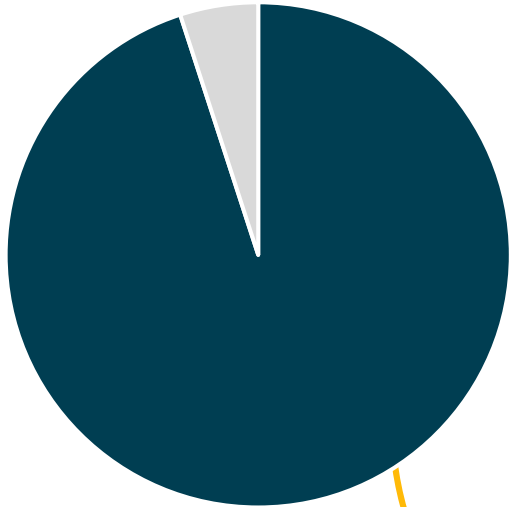
5,000 Texans

were surveyed by  
WPA Intelligence between  
July and August 2022

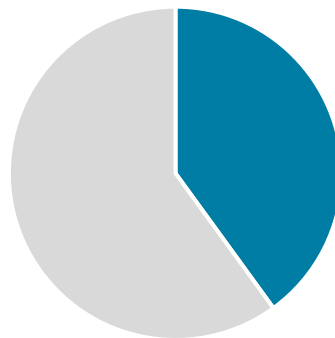
The goals of the survey were to gauge:

- 1 **Impressions** of community colleges and the value of credentials from local community colleges
- 2 **Understanding** of the community college finance system in Texas
- 3 **Expectations and desired outcomes** from community colleges

# Almost everyone (95%) has a positive impression of community colleges in Texas

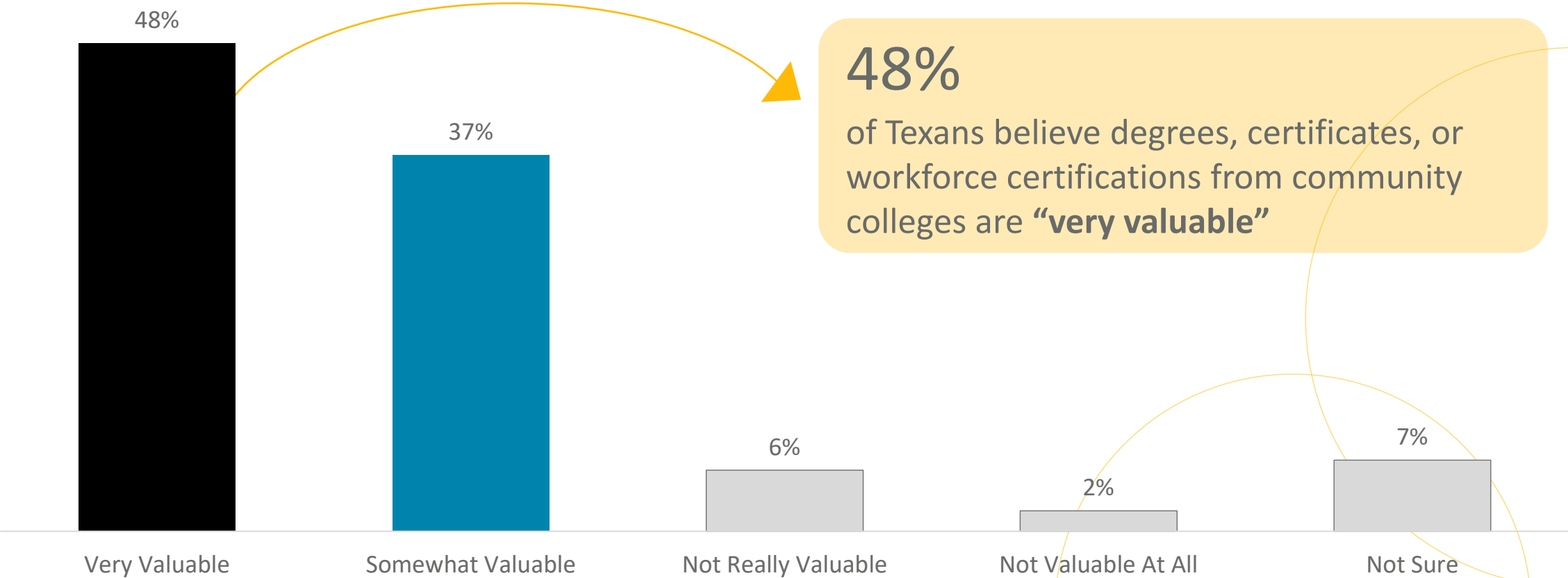


95%  
of Texans have a **positive impression** of  
community colleges

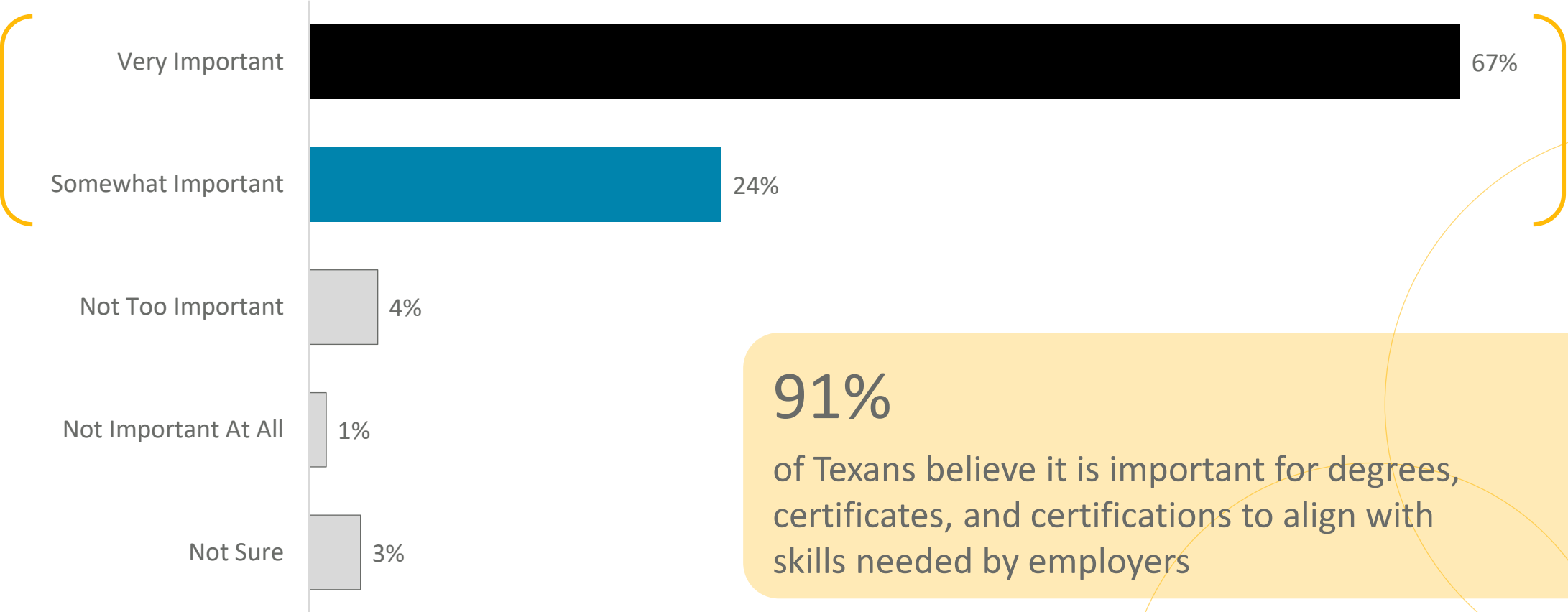


40%  
of Texans have **“very positive”** views  
of community colleges

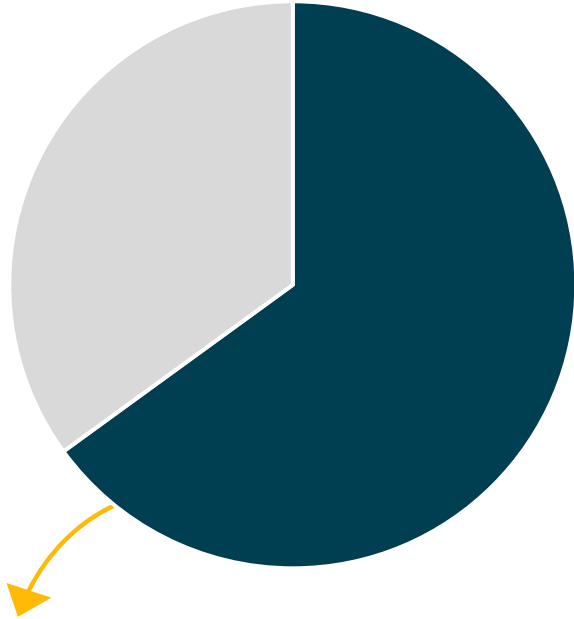
# A majority (85%) believe that credentials from community colleges are valuable



# Two-thirds (67%) think it is very important for credentials to align with employer needs



# Two-thirds (65%) support basing community college funding on student outcomes



65%

of Texans support basing funding on **outcomes** instead of enrollment

## TOP RANKED OUTCOMES

- 1 Job placement of community college graduates
- 2 Number of students who complete a credential
- 3 Incomes or wages earned after graduation by students

# Community College Finance Commission

The 87<sup>th</sup> Texas Legislature established the **Texas Commission on Community College Finance** through S.B. 1230, empowering its members:

*“...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.”*



# TXCCCF Members



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*Texas Senate*

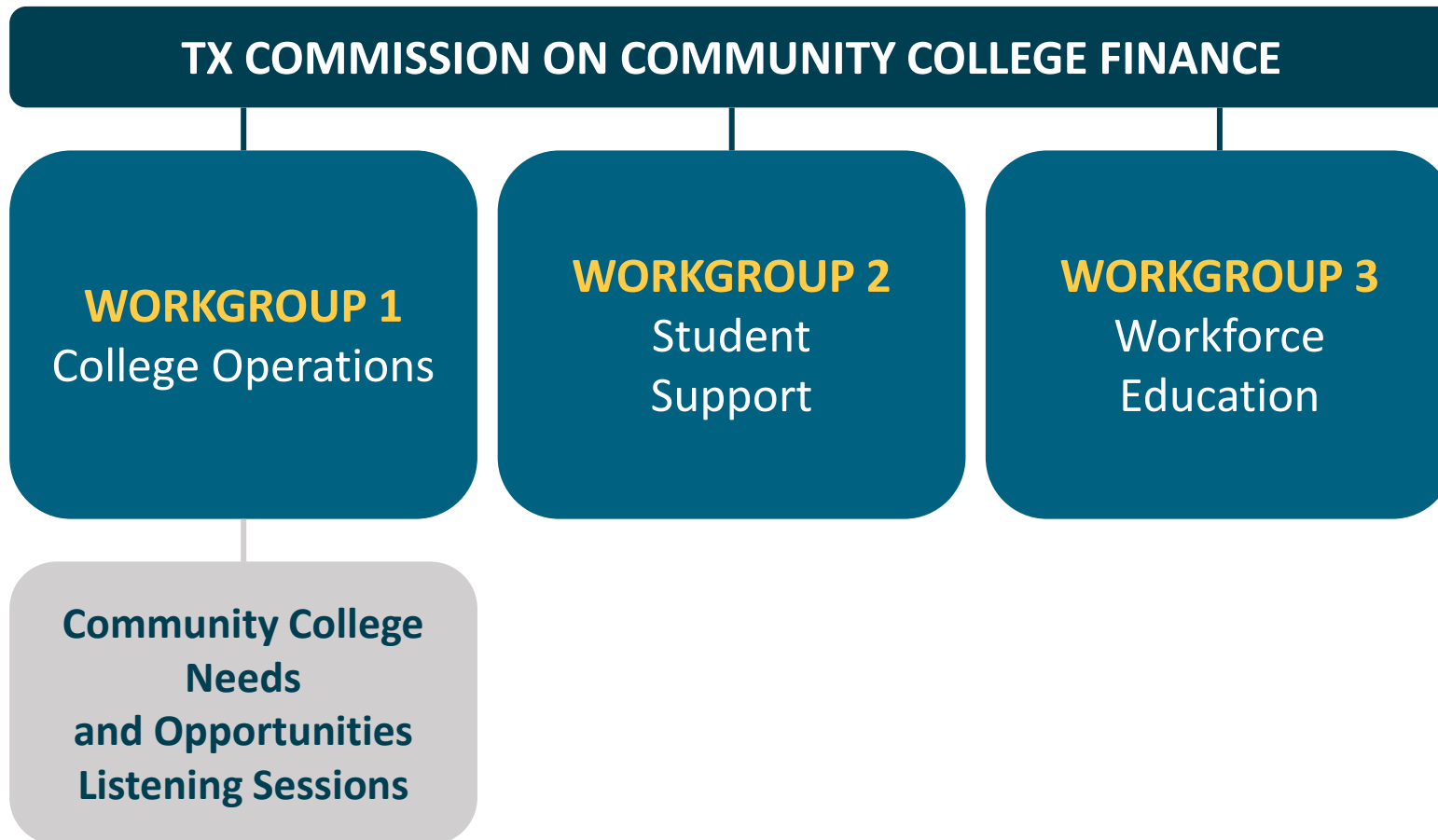


**REP. GARY  
VANDEAVER**  
*Texas House*



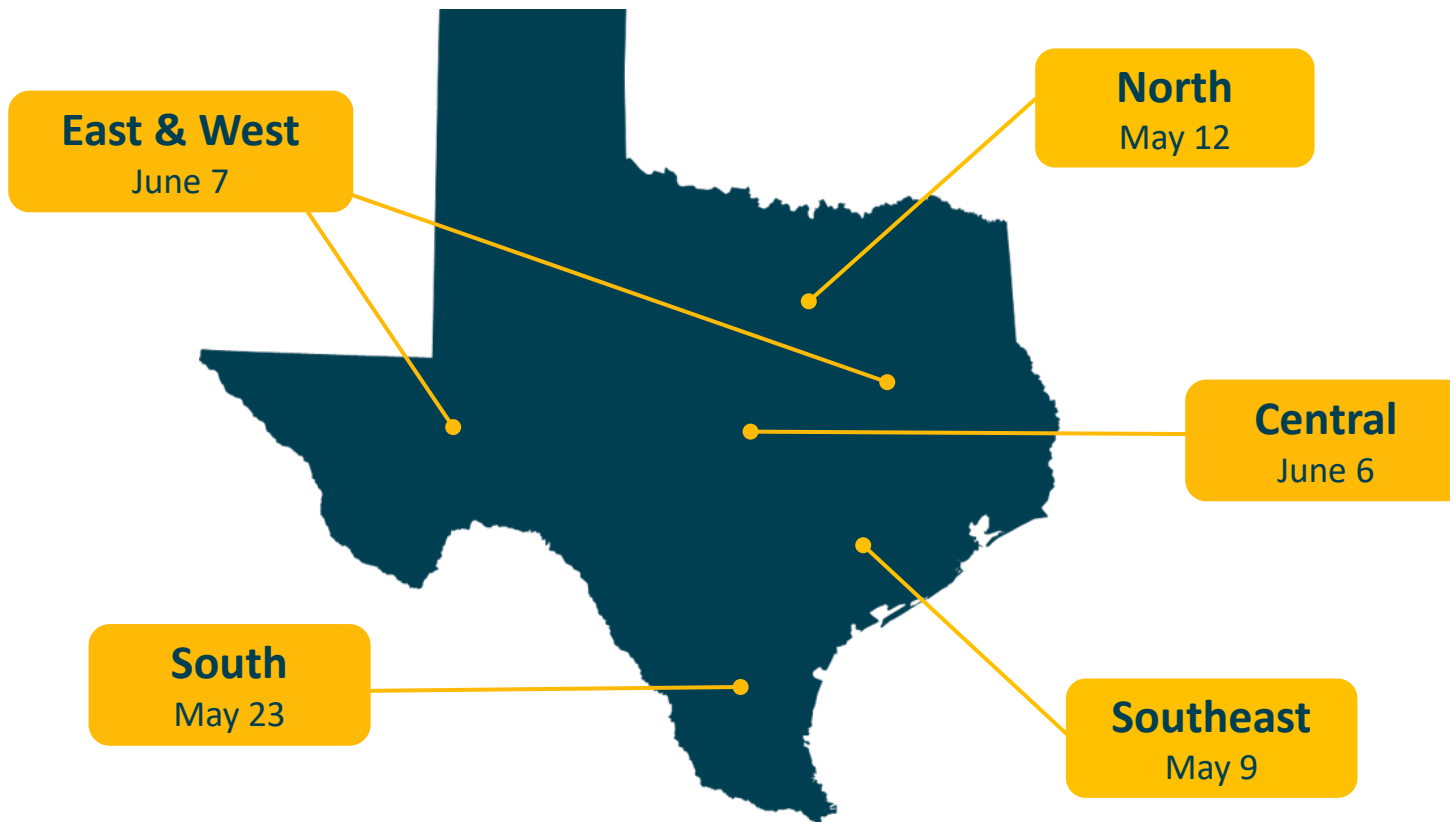
**TODD  
WILLIAMS**  
*Commit Partnership*

# TXCCCF Working Groups



- The Commission convened in Fall 2021, chaired by Woody Hunt of El Paso
- One of the strongest themes was the unique challenges of **small, medium-sized, and rural-serving colleges**
- Established **3 working groups** to identify policy recommendations for upcoming legislative session

# Engagement with College Leaders



To inform the **College Operations Workgroup**, regional listening sessions were held with college leaders across the state:

- **45 leaders** representing **42 community colleges** participated in regional listening sessions
- 10 college leaders participated in deep dive interviews
- Leaders shared insights about their colleges' needs, challenges, and opportunities

# TXCCCF Recommendations

# TXCCF Recommendations

Recommendations will advance the goals outlined in *Building a Talent Strong Texas*, which empowers higher education institutions to offer degrees, certificates, and other credentials that can help both traditional students and adult learners



**STATE FUNDING  
FOR OUTCOMES**



**AFFORDABILITY  
FOR STUDENTS**



**INVESTMENTS IN  
COLLEGE CAPACITY**

# State Funding for Outcomes



1.1

## MEASURABLE OUTCOMES

Develop finance model that distributes most state funding based on **measurable outcomes**:

- credentials of value
- students who transfer to 4-yr institutions
- credentials of value in high-demand fields
- students completing dual credit courses applied to academic/workforce program

1.2

## FOUNDATIONAL FUNDING

Ensure access to foundational levels of funding for instruction and operations through a **state-funded guaranteed yield for colleges with low taxable valuations**, with funding adjusted to recognize costs of serving high-need students and operating small colleges

1.3

## IMPLEMENTATION

Authorize the Commissioner to create a process to address unintended negative consequences from implementation of the new funding model and to ensure the transition to the new model **does not negatively impact students or community colleges**

# Affordability for Students



2.1

## TEXAS EDUCATIONAL OPPORTUNITY GRANTS (TEOG)

Increase funding and link performance measures for students served through TEOG at 2-year institutions and TEXAS Grants at universities to **serve 70% of qualified low-income students**

2.2

## FINANCIAL AID FOR DUAL CREDIT

Provide **targeted financial aid for economically disadvantaged students** to cover costs of dual credit courses that apply towards academic or workforce program requirements

2.3

## PAID WORK-BASED LEARNING

Expand **partnerships among colleges and private employers** for paid work-based learning opportunities (e.g., work-study, apprenticeships, and internships related to programs of study)

# Investments in College Capacity



3.1

## SEED GRANTS FOR PROGRAMS IN HIGH-DEMAND FIELDS

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

3.2

## SHARED SERVICES & INTER-INSTITUTIONAL PARTNERSHIPS

Support and facilitate shared services to enable colleges to improve **operational efficiency** and expand the range of academic and workforce programs offered

3.3

## NON-CREDIT CREDENTIAL PROGRAMS

Update state policies to help colleges provide high-quality non-credit credentials that are **convertible and stackable** with credit-bearing programs



# Next Steps

# Next Steps

NOVEMBER 1



FALL 2022



SPRING 2023



SUMMER/FALL 2023



1 Submit final recommendations and report to legislature

2 Support legislative offices in bill and rider drafting  
Prepare model to simulate costs and impact of recommendations

3 Inform legislative deliberations through the 88th Legislative Session

4 Implement new funding model and other provisions, in consultation with policymakers and institutions

A woman with long dark hair, wearing a white lab coat, is looking at a laptop screen in a laboratory setting. The background is a dark teal color with a faint image of the woman and the laptop. Two thin yellow circular lines are on the left and right sides of the image.

# **Texas Higher Education**

**COORDINATING BOARD**