



POSTGAME RECAP:

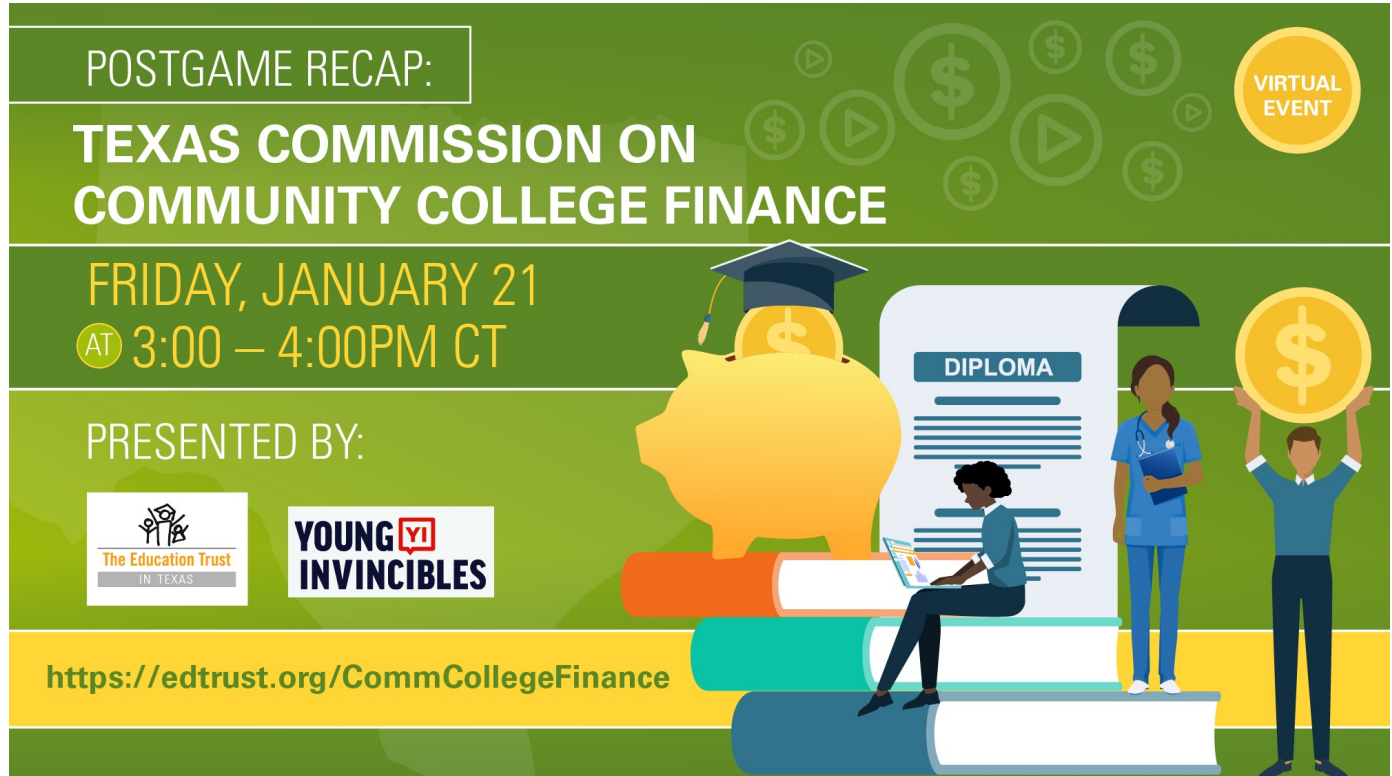
**TEXAS COMMISSION ON
COMMUNITY COLLEGE FINANCE**

FRIDAY, JANUARY 21
AT 3:00 – 4:00PM CT

PRESENTED BY:

<https://edtrust.org/CommCollegeFinance>

A virtual event banner with a green background. At the top left, it says 'POSTGAME RECAP:' in a white box. Below that, the title 'TEXAS COMMISSION ON COMMUNITY COLLEGE FINANCE' is written in white. The date and time 'FRIDAY, JANUARY 21 AT 3:00 – 4:00PM CT' are in yellow. Underneath, it says 'PRESENTED BY:' followed by two logos: 'The Education Trust IN TEXAS' and 'YOUNG Y! INVINCIBLES'. At the bottom left is the URL 'https://edtrust.org/CommCollegeFinance'. The right side of the banner features an illustration of a yellow piggy bank with a graduation cap on top, a person sitting on a stack of books using a laptop, a person in a blue uniform holding a clipboard, and a person holding a large gold coin with a dollar sign. There are also several smaller gold coins and play button icons scattered in the background.

Welcome! Please share in the chat:

1. First name, location
2. Answer the poll question: Which best describes you?

Thank you



Stephanie Murphy
Commit Partnership
**Director, Education
Policy**



Greg Norwood
Young Invincibles
**Southern
Engagement
Manager**



Sarah Jensen
Commit Partnership
Senior Consultant



Jonathan Feinstein
The Education Trust
Texas State Director



Today's Roadmap

1. Welcome and Introductions (5 min)
2. Special Guest: Paul Colbert (10 min)
3. Jan. 18 Meeting Recap (40 min)
4. Next steps (5 min)

Timeline Overview for the TCCCF

May 2021: Governor Abbott signs SB 1230 establishing the Texas Commission on Community College Finance (TCCCF), charged with making recommendations “to establish a state funding formula and funding levels sufficient for sustaining viable community college education and training offerings throughout the state”

Fall 2021: Governor, Lt. Governor, House Speaker, Texas Association of Community Colleges, and the Community College Association of Texas Trustees appoint 12 members to serve on Commission

Nov. 15, 2021: Commission meets for the first time at the Capitol

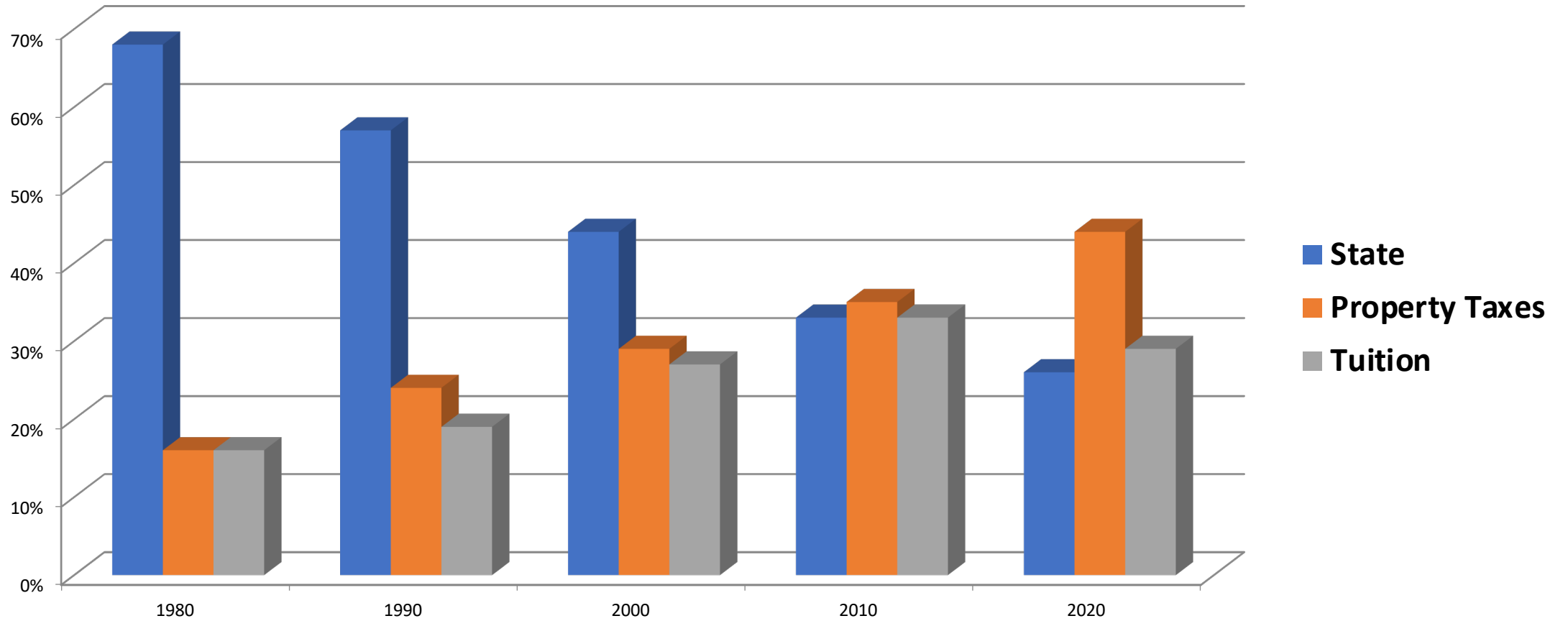
Nov. 1, 2022: Deadline for the Commission to submit a final report and recommendations for consideration by the 88th Legislature

Jan. 10, 2023: 88th Regular Legislative Session begins

Highlights from Dec. 13 Meeting

1. There are fundamental differences between Texas' P-12 and Higher Ed funding systems.
2. There has been a long, steady shift away from state funding and towards local taxes and tuition.
3. Tuition disparities correlate with completion disparities for low-income students.
4. Non-tuition costs for basic needs drive inequitable outcomes.

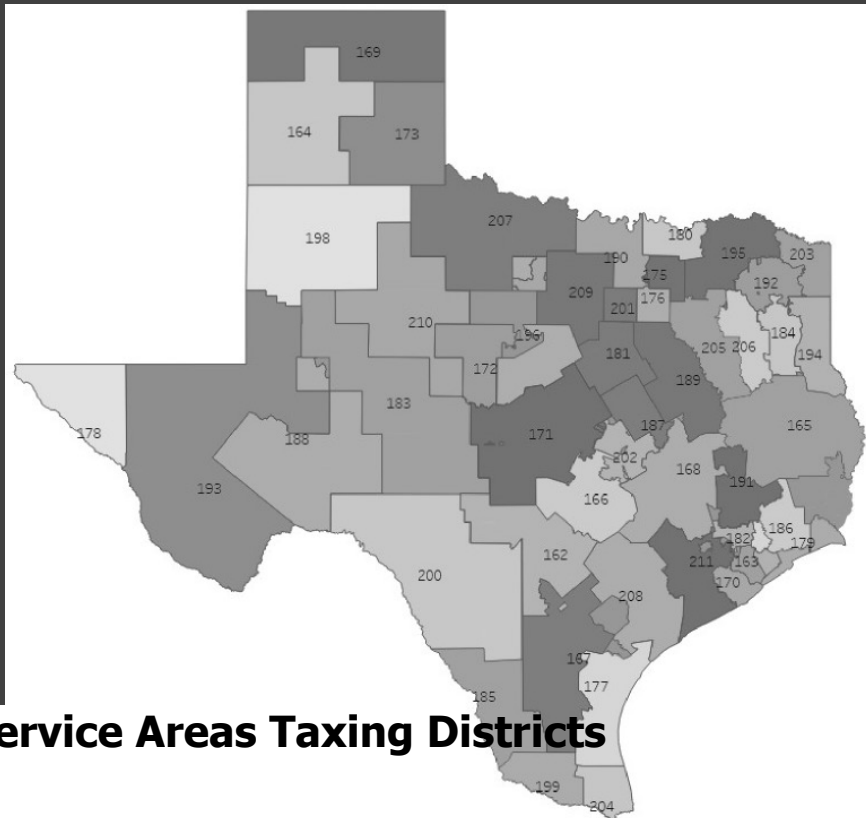
Decline in State Share



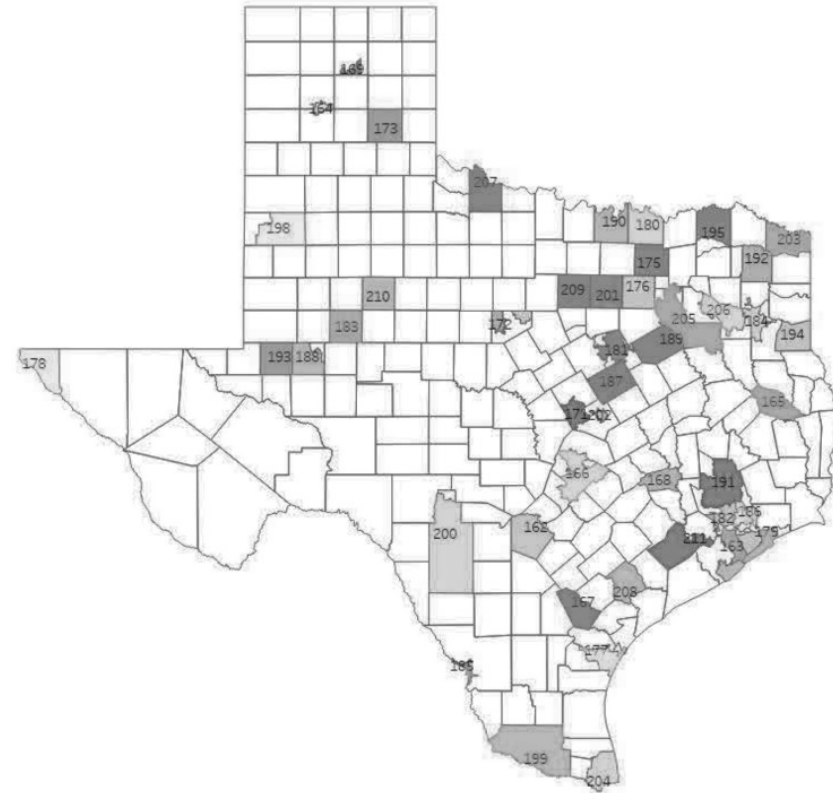
Decline in State Share

	State	Property Taxes	Tuition
1980	68%	16%	16%
1990	57%	24%	19%
2000	44%	29%	27%
2010	33%	35%	33%
2020	26%	44%	29%

- 2019-2020 Community College
- Service Areas and Taxing Districts



•Service Areas Taxing Districts



Community College Taxes

All 50 community colleges levy **M&O taxes**

- The **simple average** rate is **15.64 cents** per \$100 valuation
- The **weighted average** rate is **10.86 cents**

- **Lowest rate – 4.80 cents (*Northeast*)**
- **Median rate – 14.08 cents**
- **Highest rate – 39.27 cents (*South Plains*)**

I&S Taxes

32 community colleges levy **I&S taxes**

- The **simple average** rate is **3.69 cents** per \$100 valuation
- The **weighted average** rate is **3.02 cents**
- **Lowest non-zero rate – 0.021 cents (*Collin*)**
- **Median rate – 1.99 cents**
- **Highest rate – 8.70 cents (*Tarrant*)**

Total Tax Rate

Total tax rates:

- **Simple average – 18.91 cents**
- **Weighted average – 13.91 cents**

- **Lowest rate – 5.60 cents (*Blinn*)**
- **Median rate – 17.02 cents**
- **Highest rate – 39.27 cents (*South Plains*)**

Impact of Un-Taxed Property

- **Taxed Property – \$1.970 Trillion**
- **Untaxed Property – \$1.019 Trillion**

If all property paid taxes:

- **M&O average could decline from 15.64 to 7.16 cents**
- **I&S average could decline from 3.69 to 1.99 cents**
- **Total average could decline from 18.01 to 7.16 cents**

Impact of Un-Taxed Property

Or, if all property paid the current weighted M&O tax average of 10.86 cents, this would raise an additional

\$1.1 billion for college operations

over the \$2.1 billion currently raised by all colleges.

If all property paid the current weighted I&S tax average of 3.02 cents, this would raise an additional

\$308 million for college facilities

over the \$595 million currently raised by all colleges.

Financial Aid

	FY2022	FY2023
• TEXAS Grant Program	\$433,292,738	\$433,292,738
• TEOG Pub Community Colleges	\$44,236,459	\$44,236,458

Agenda for Jan. 18 Meeting



TEXAS COMMISSION ON COMMUNITY COLLEGE FINANCE
Chairman Woody Hunt

AGENDA

1200 E. Anderson Lane
THECB Board Room
Austin, Texas

10:00 AM, Tuesday, January 18, 2022

1. Call to Order

2. Welcome & Remarks

3. Invited Testimony

- a. Dr. Harrison Keller, Commissioner of Higher Education, THECB
- b. Dr. Tony Carnevale, Center on Education and the Workforce, Georgetown University
- c. Dr. David Troutman, The University of Texas System
- d. Mr. Dane Linn, Business Roundtable

(Anticipated Lunch Break)

- e. Ms. Martha Snyder, HCM Strategies
- f. Mr. Michael Reeser, Chancellor & CEO, Texas State Technical College System
- g. Mr. Dennis Jones, Dr. Aims McGuinness, and Dr. Brian Prescott, National Center for Higher Education Management Systems

4. Discussion on Future Meetings

5. Adjournment

All meeting materials, including agendas, presentation slides, and archived videos, are posted here:

<https://www.highered.texas.gov/legislative-media-resources/texas-commission-on-community-college-finance/>

Highlight #1: Texas is revising its 60X30 goals to increase the production of “credentials of value.”

Building a Talent-Strong Texas: Goals

ATTAINMENT
of Postsecondary
Credentials

PRODUCTION
of Postsecondary
Credentials of Value

PROMOTION
of Research,
Development &
Innovation

EQUITY: Data will be disaggregated & tracked by race, gender & income

COORDINATION: Across public and private sectors, with input and support from educators, institutional leaders, policy makers, employers, and students

Recommendation: Primary Indicators

Recommendation

- Number of students completing postsecondary credentials of value each year.
- Percentage of graduates with no or low student debt in relation to their potential earnings.

Discussion Question: What needs to be considered when defining the value of a credential? What differentiates credentials that are high value from those that do not provide a return on investment for credential earners?

Highlight #2: Strong community college funding systems are responsive to change, account for differing student needs and align with state workforce needs.

Principle	State Approaches	Current Texas Funding Model
A funding system that is responsive to changes in the system.	Funding based on enrollments and shifts in where enrollments are happening.	Includes SCH (enrollment) but not funded based on current year enrollments
A funding system that accounts for differing student needs.	Typically a feature in states that have outcomes/student success metrics incorporated into funding models.	Does not account for differing student needs and associated costs to successfully serve them.
A funding system that aligns with state’s current needs for a more educated and trained workforce.	Several states with outcomes funding models have priority for specific in-demand degrees or certificates. Data can be a limiting factor for more direct workforce metrics.	Student Success Points are included but account for small % of overall funding. Not necessarily reflective of workforce needs (in-demand fields).

It’s relatively easy to build a funding system that considers these three aspects.

What is more difficult is developing a financing system that:

- **articulates the state role (commitment) in financing postsecondary educational opportunities and**
- **considers varying levels of resources across institutions**

Highlight #2: Strong community college funding systems are responsive to change, account for differing student needs and align with state workforce needs.

State	Responsive to Changes	Accounts for differing student needs	Aligns to need for more educated and trained workforce	Factors in local funding	Articulates state role (level of commitment)
Oregon	✓	X	X	✓	X
California	✓	✓	✓	X	X
Tennessee	✓	✓	✓	X	X

Highlight #3: In Texas, the state is a “minority investor” and lacks a way of coordinating local community colleges to state goals. The TCCCF must determine what goals to pursue.

Objective

- An approach to community college finance that is aligned with the goals of ensuring that:
 - Community college services are readily accessible to students in all parts of the state.
 - Community colleges are responsive to the differing workforce needs in all regions of the state and to regional 60X30 goals.
 - A community college education is (equally) affordable to residents of all parts of the state.
 - Gaps in educational attainment across geographic regions, races/ethnicities, and age groups are eliminated.
 - Colleges have sufficient funds to provide necessary, relevant services.

Discussion Question: What objective or principle should the Commission prioritize when recommending changes to the state's finance system?

Highlight #4: The Texas State Technical College System's (TSTC) "Returned Value Formula" funding has yielded a number of lessons learned that can be considered by the TCCCF.

Impact of the New Formula

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Programs are curated to ensure alignment with employers' needs



Programs that produce poor job outcomes are closed



Employers define the key skills taught so alignment is maximized



Applicants get help selecting the right program for their goals



Many programs offer a money-back guarantee to students



Student loan default rates are very low due to well-paying employment



Methods of delivery are constantly reviewed for efficiency



The length of a program is defined by job needs, not academic tradition

Discussion Question: Compared to TSTC, community colleges have a more multifaceted mission. That said, what lessons could be applied to the state's funding of community colleges? In what ways could the state enhance community colleges' performance-based funding to positively impact student outcomes?

Next Steps

Commission members will be assigned to subcommittees that will meet privately in February and March:


- **College Operations:** How can the community college finance system ensure that robust postsecondary educational and training opportunities are available to students and communities across Texas?
- **Student Support:** How can the community college finance system increase the likelihood that students with diverse backgrounds and needs are able to complete credentials of value at the institutions?
- **Workforce Education:** How can the community college finance system promote alignment among courses, programs, and credentials offered by the institutions with emerging educational and workforce needs?

The next full Commission meeting is scheduled for **Wed., April 6**. Stay tuned for our next recap then.

Announcing ...

A NEW, PAID FELLOWSHIP PROGRAM FOR TEXAS COMMUNITY COLLEGE STUDENTS. APPLY TODAY! [BIT.LY/TXADVISORY](https://bit.ly/TXADVISORY)

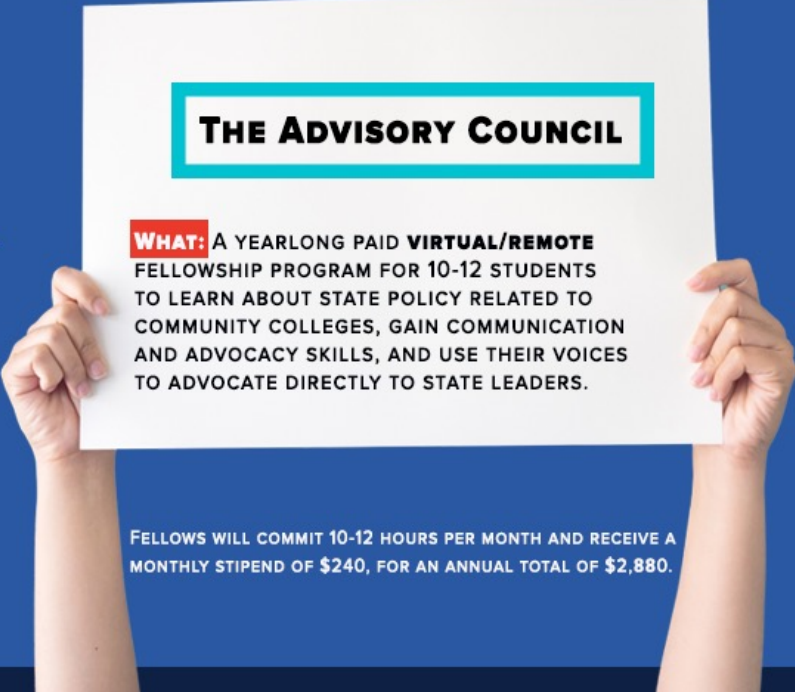
TEXAS COMMUNITY COLLEGE



STUDENT ADVISORY COUNCIL

APPLICATIONS ARE DUE FEBRUARY 11, 2022.
THE COUNCIL WILL BEGIN IN MARCH 2022
AND RUN THROUGH FEBRUARY 2023.



APPLY TODAY! [BIT.LY/TXADVISORY](https://bit.ly/TXADVISORY)



THE ADVISORY COUNCIL

WHAT: A YEARLONG PAID **VIRTUAL/REMOTE** FELLOWSHIP PROGRAM FOR 10-12 STUDENTS TO LEARN ABOUT STATE POLICY RELATED TO COMMUNITY COLLEGES, GAIN COMMUNICATION AND ADVOCACY SKILLS, AND USE THEIR VOICES TO ADVOCATE DIRECTLY TO STATE LEADERS.

FELLOWS WILL COMMIT 10-12 HOURS PER MONTH AND RECEIVE A MONTHLY STIPEND OF \$240, FOR AN ANNUAL TOTAL OF \$2,880.



YOUNG ^{YI} INVINCIBLES