

Teacher Preparation and House Bill 8:

Unlocking Community College Funding to Support Aspiring Educators

Introduction

Texas education advocates and policymakers are seeking innovative solutions to address the state's alarming reliance on uncertified teachers. Many have also celebrated House Bill 8 (HB 8), the state's new outcomes-based funding formula for community colleges. So, what's the connection between HB 8 and teacher preparation?

At EdTrust and US PREP, we believe that Texas community colleges — partnering with school districts and four-year universities — have a unique opportunity to leverage this funding model to significantly expand access to high-quality teacher preparation pathways for a large and diverse group of aspiring educators. This brief explains key elements of the new funding formula, projecting potential state funding based on multiple teacher candidate scenarios, and provides recommended next steps for local systems leaders and state policymakers.

Community Colleges: A Crucial Lever for Building a More Diverse, Better Prepared Teacher Workforce

Since the pandemic, education leaders have been working to address persistent teacher vacancy rates in Texas. There's no shortage of people who want to teach in Texas — our schools are employing more teachers than ever. The problem — which isn't new — is the unrelenting demand for teachers driven by high attrition among uncertified and underprepared beginning teachers.

One promising strategy to address this challenge is expanding access to high-quality teacher pathways by better supporting aspiring educators who start at community colleges. Many aspiring educators start at community colleges, especially students of color.

According to a [recent survey of teacher candidates](#) at one four-year institution in Texas, a majority of the undergraduates in the last two years of their bachelor's degree in education are transfer students. These candidates overwhelmingly reported that they had not only planned to transfer upon entering community college but also knew they wanted to major in education.

The survey findings also underscore transfer students' unique assets and challenges. Compared to their peers entering directly from high school, transfer candidates tend to have more extensive work experience and place greater value on credit transfer, course availability, job placement, and the ability to stay close to home when choosing a college. They also face greater financial barriers to staying enrolled, highlighting the importance of having support services and paid clinical opportunities for students.

Creating more clear and accessible preparation pathways for transfer candidates is essential for Texas to cultivate a more diverse teacher workforce that reflects the student body, benefits all students, and can help stem high attrition in schools, since [educators of color are much more likely to stay in the profession](#) than their white peers. Statewide, [70% of students of color](#) begin their higher education at a community college, and [nearly two-thirds](#) of already-employed educational aides with some college but no degree are Black or Latino.

How HB 8 Can Unlock Resources to Support Students' Through High-Quality Teacher Preparation

In 2023, the 88th Texas Legislature passed HB 8 and transformed how the state funds community colleges by shifting to a dynamic model that awards funding based on students' successful completion or transfer. The formula further incentivizes credential attainment that is on time, in high-demand occupations, and focused on students from low-income backgrounds, students not fully prepared for college, and adult learners.

HB 8 also introduced the Financial Aid for Swift Transfer (FAST) program, which provides funding to help participating public institutions of higher education offer dual credit courses at no cost to high school students from low-income backgrounds (defined as those who qualify for free or reduced-price lunch). Passage of HB 8 was also accompanied by a significant increase in the Texas Education Opportunity Grant (TEOG), the state's primary need-based financial aid program for students enrolled in community colleges. While not the focus of this report, these investments improve affordability, a crucial factor in students' ability to successfully access and accelerate credential completion.

To help you interpret the sample scenarios for aspiring educators highlighted below, we first want to provide a quick primer on the formula's key components and mechanics.

Performance Tier Inputs	Standard Value	High-Demand Field Value
Dollars per Weighted Outcome Completion		
15 SCH Dual Credit	\$ 3,500	N/A
GAI Transfer with 15 SCH	\$ 3,500	N/A
GAI Co-enrollment with 15 SCH	\$ 3,500	N/A
Institutional Credential leading to Licensure or Certification (ICLC)	\$ 1,000	\$ 1,250
Occupational Skills Award Certificate	\$ 1,000	\$ 1,250
Advanced Technical Certificate (ATC)	\$ 1,750	\$ 3,500
Certificate Credential of Value Premium	\$ 437	N/A
Associate Degree	\$ 3,500	\$ 4,500
Associate Degree Credential of Value Premium	\$ 875	N/A
Bachelor's Degree	\$ 3,500	\$ 4,500
Bachelor's Degree Credential of Value Premium	\$ 875	N/A
Outcome Completion Weights		
Academic Disadvantage	0.25	0.25
Economic Disadvantage	0.25	0.25
Adult Learner	0.50	0.50
Dollars per Weighted Outcome Completion (Funded Beginning with FY25 Outcomes)		
Opportunity High School Diploma	\$ 3,500	N/A
Third Party Credentials	\$ 1,000	\$ 1,250

This table represents the HB 8 funding formula under rules approved for Fiscal Year 2025. More information available at <https://www.highered.texas.gov/community-college-finance/formula-funding/>.

Performance Tier Inputs & Standard Values: The milestones and credentials listed under Performance Tier Inputs represent the list of fundable outcomes and corresponding rates for which community colleges are awarded funding under the formula. *A college is eligible to receive funding for multiple outcomes achieved by the same student.* A few of the specific outcomes and rates referenced in the teacher preparation scenarios include:

Performance Tier Input	Description	Standard Value
15 Semester Credit Hours (SCH) Dual Credit	Applies to students who complete at least 15 SCH (typically five semester-long courses) prior to high school graduation.	\$3,500
General Academic Institutions (GAI) Transfer with 15 SCH	Applies to students who transfer to a public four-year institution of higher education in Texas with at least 15 SCH (typically five semester-long courses).	\$3,500
Associate Degree	Applies to students who complete their associate degree, which requires a minimum of 60 SCH. The state's Transfer Framework includes an Associate of Arts in Teaching (AAT) which is transferable to any Texas public university that offers a bachelor's degree leading to teacher certification.	\$3,500
Bachelor's Degree	Applies to students who complete bachelor's degree programs offered by the community college. Multiple community colleges in Texas are authorized to award bachelor's degrees in education.	\$3,500



High-Demand Field Value: Through rules established by the Texas Higher Education Coordinating Board, completed credentials aligned to high-demand fields are awarded at a higher rate than the standard values above. Based on data projecting job growth over the next decade, HB 8 identifies academic fields linked to a statewide list of the top 10 occupations and region-specific lists of the top five occupations. These fields reflect a comprehensive range of K-12 teaching positions across subjects and grade levels. *As a result, associate degrees and bachelor's degrees in education are awarded \$4,500.*

Outcome Completion Weights: Under HB 8, community colleges receive more funding for successfully supporting students in certain high-need categories to complete credentials. The formula uses weights, or multipliers, that are applied to the standard and high-demand field values outlined above. *These weights are additive, meaning multiple categories can be applied to a single student.*

Category	Definition	Funding Weight
Economically Disadvantaged	Pell recipient	0.25
Academically Disadvantaged	Has neither met college-readiness standard on Texas Success Initiative (TSI) Assessment nor earned an exemption in at least one subject area	0.25
Adult Learners	25 years or older at the time of enrollment for the certificate or degree	0.50

Teacher Preparation Pathways and HB 8 Funding Scenarios

The following scenarios show how the HB 8 funding formula would be applied specifically for aspiring educators enrolled in community colleges at various stages of their preparation pathway. To be clear, these scenarios are not exhaustive but are intended to illustrate a range of potential routes, student demographics, and the resulting formula funding that could be reinvested in high-quality preparation programs and completion support services.



Scenario 1:

Dual Credit AAT in High School and Direct Enrollment at Public Four-Year University

Student Background

- **Name:** Emily
- **Demographics:**
 - Economically Disadvantaged (qualifies for free or reduced-price lunch)
 - Age: 18

Pathway

1. **High School:** Emily enrolls in a dual credit program through her high school, allowing her to earn college credits while still in secondary school. By the time she graduates from high school, she has enough credits to earn an Associate of Arts in Teaching (AAT).
2. **University Enrollment:** After earning her AAT, Emily enrolls at a Texas public four-year university to complete her bachelor's degree in education.

HB 8 Funding Model Implications

Performance Input + Corresponding Value	Completion Weight	Funding Amount
Associate Degree in High-Demand Field: \$4,500	N/A*	\$4,500
15 SCH Dual Credit: \$3,500	N/A	\$3,500
Transfer w/ 15 SCH**: \$3,500	N/A	\$3,500
TOTAL		\$11,500

*As currently defined under HB 8 rules, "economically disadvantaged" is tied to Pell receipt. Because high school students are not eligible for Pell and the degree was completed while enrolled in high school, the funding weight for Economically Disadvantaged would not apply here.

**As long as the student completes at least 30 SCH with a community college (an additional 15 SCH on top of the 15 SCH Dual Credit), they would be eligible for both the Dual Credit and Transfer outcomes.

Creating more clear and accessible preparation pathways for transfer candidates is essential for Texas to cultivate a more diverse teacher workforce that reflects the student body, benefits all students, and can help stem high attrition in schools, since educators of color are more likely to stay in the profession than their white peers

Scenario 2:

AAT at Community College and Transfer to Public Four-Year University

Student Background

- **Name:** Marcus
- **Demographics:**
 - Economically Disadvantaged (Pell recipient)
 - Academically Disadvantaged* (Not TSI ready in Math)
 - Age: 27**

Pathway

1. **Community College:** Marcus is employed as an educational aide in a school district and enrolls in community college to complete his AAT.
2. **University Transfer:** Upon earning his AAT, Marcus transfers to a Texas public four-year university to pursue his bachelor's degree in education.

HB 8 Funding Model Implications

Performance Input + Corresponding Value	Completion Weight	Funding Amount
Associate Degree in High-Demand Field: \$4,500	1.00 (Economically Disadvantaged + Academically Disadvantaged + Adult Learner)	\$9,000
Transfer w/ 15 SCH: \$3,500	1.00 (Economically Disadvantaged + Academically Disadvantaged + Adult Learner)	\$7,000
TOTAL		\$16,000

* Not being TSI-ready qualifies a student for the Academically Disadvantaged funding weight.

** Being over age 25 at time of enrollment qualifies a student for the Adult Learner weight.



Scenario 3:

AAT and Bachelor's Degree at the Same Community College

Student Background

- **Name:** Jessica
- **Demographics:**
 - Economically Disadvantaged (Pell recipient)
 - Academically Disadvantaged (*Not TSI ready in any content)
 - Age: 26 (Adult Learner)

Pathway

1. **Community College:** Jessica enrolls in community college and completes both her AAT and bachelor's degree in early childhood education at the same institution.

HB 8 Funding Model Implications

Performance Input + Corresponding Value	Completion Weight	Funding Amount
Associate Degree in High-Demand Field: \$4,500	1.00 (Economically Disadvantaged + Academically Disadvantaged + Adult Learner)	\$9,000
Bachelor's Degree in High-Demand Field: \$4,500	1.00 (Economically Disadvantaged + Academically Disadvantaged + Adult Learner)	\$9,000
TOTAL		\$18,000



Scenario 4:

Some Dual Credit, AAT at Community College, and Transfer to Public Four-Year University

Student Background

- **Name:** Sarah
- **Demographics:**
 - Economically Disadvantaged (Pell recipient)
 - Age: 19

Pathway

1. **High School:** Sarah completes 15 hours of dual credit courses in high school.
2. **Community College:** After high school, Sarah enrolls in community college to complete the remaining requirements for her AAT.
3. **University Transfer:** Sarah then transfers to a Texas public four-year university to finish her bachelor's degree in education.

HB 8 Funding Model Implications

Performance Input + Corresponding Value	Completion Weight	Funding Amount
15 SCH Dual Credit: \$3,500	Applies to students who complete at least 15 SCH (typically five semester-long courses) prior to high school graduation.	\$3,500
Associate Degree in High-Demand Field: \$4,500	0.25 (Economically Disadvantaged)	\$5,625
Transfer with 15 SCH: \$3,500	0.25 (Economically Disadvantaged)	\$4,375
TOTAL		\$13,500



Scenario 5:

15 SCH at Community College and Transfer to Public Four-Year University

Student Background

- **Name:** Jose
- **Demographics:**
 - Economically Disadvantaged (Pell recipient)
 - Age: 20

Pathway

1. **Community College:** After high school, Jose enrolls in community college and completes 15 hours towards the AAT.
2. **University Transfer:** Jose then transfers to a Texas public four-year university to finish his bachelor's degree in education.

HB 8 Funding Model Implications

Performance Input + Corresponding Value	Completion Weight	Funding Amount
Transfer with 15 SCH: \$3,500	0.25 (Economically Disadvantaged)	\$4,375
TOTAL		\$4,375



Scenario 6:

Co-Enrollment With 15 Credit Semester Hours

Student Background

- **Name:** Reggie
- **Demographics:**
 - Economically Disadvantaged (Pell recipient)
 - Age: 18

Pathway

1. **Co-Enrollment:** After graduating from high school, Reggie simultaneously enrolls in a community college and a Texas public four-year university that have a partnership agreement to co-enroll students. Reggie completes 15 semester credit hours at the community college and completes his bachelor's degree in education at the university.*

HB 8 Funding Model Implications

Performance Input + Corresponding Value	Completion Weight	Funding Amount
Co-enrollment w/ 15 SCH: \$3,500	0.25 (Economically Disadvantaged)	\$4,375
TOTAL		\$4,375

* If the student had completed the AAT, the community college would have received funding for the Associate Degree in a High-Demand Field.



Recommendations

This tool is primarily designed to help community colleges and their local partners better understand how the HB 8 outcomes-based funding model can be applied as they design and resource high-quality teacher preparation pathways. To help local systems leaders optimize the impact of their efforts and encourage state leaders to consider complementary policies to bolster the state's teacher workforce, we offer the following recommendations:

For Local Systems Leaders

- 1. Simplify and smooth credit transfer.** For aspiring educators who transfer from a community college to a four-year university, the ability to apply prior credits toward their bachelor's program is essential to on-time completion and affordability. Local institutions should start by establishing clear articulation agreements and advising maps. However, we encourage institutions to move beyond one-off agreements to create student-centered "transfer compacts" at a regional level that align coursework and credits for all aspiring educators completing the Associate of Arts in Teaching.
- 2. Align dual credit and expand TSI support in high school.** For aspiring educators ready to begin earning college credits in high school, it is similarly important to ensure that their dual credit coursework applies to the degree program they'll pursue after graduation. Local school systems and community colleges should incorporate dual credit courses within the state's Career and Technical Education and Training (CTE) Program of Study. For students in this career cluster — as well as educational aides continuing their postsecondary education — who do not demonstrate readiness for college-level coursework, school systems and college partners should collaborate to identify and deliver targeted intervention needed to meet a TSI exemption or pass the TSI Assessment.
- 3. Engage with local partners to strategically leverage multiple funding streams.** The scenarios in this report are focused on funding available to community colleges through the state's new funding formula. These funds represent just one funding source to construct high-quality teacher preparation pathways and advising supports for aspiring educators. Local partnerships should also explore ways to strategically braid CTE and College, Career, or Military Readiness (CCMR) Outcomes Bonus funds available to school systems, grant funding that may be available to registered teacher apprenticeship programs through regional workforce boards, as well as the Educational Aide Exemption available to already-employed aides continuing their postsecondary education.

For aspiring educators who transfer from a community college to a four-year university, the ability to apply prior credits toward their bachelor's program is essential to on-time completion and affordability

For State Policymakers

- 1. Continue to invest in and monitor implementation of HB 8.** The dynamic formula introduced by HB 8 is still relatively new, making it critical for state policymakers to provide local leaders with a degree of stability and reliability needed to make strategic investments in student success. State policymakers should also continue to make quality data available so all stakeholders can identify and scale promising strategies. For example, HB 8 has the potential to surface data to better understand progression and credential attainment for aspiring educators who start their preparation in community college.
- 2. Increase access to financial aid, especially for students transferring from community colleges.** Facing rising costs of attendance, unmet financial need presents a real barrier for aspiring educators. State policymakers should build on recent investments in Texas Education Opportunity Grant (TEOG) funding to support a greater share of Texas students from low-income backgrounds. Due to limited funding, students transferring from community colleges have historically struggled to access the TEXAS Grant, the state's primary need-based financial aid program for students at four-year institutions. The statewide completion rate and average time to completion for transfer students continues to lag that of non-transfer students, with lack of financial aid support cited by universities as the most common barrier.
- 3. Establish a teacher residency allotment to compensate teacher candidates who complete comprehensive, hands-on training.** Yearlong residency programs, which rely upon innovative partnerships between school systems and educator preparation programs, have grown across Texas in recent years and demonstrated the ability to produce teachers who are more likely to stay in the classroom and work in high-need schools. Following recent action by the State Board of Education to award an Enhanced Standard (Residency) Certificate to candidates who complete this route, state policymakers should ensure the accessibility and sustainability of this pathway by providing an allotment to help cover stipends for resident teachers, mentor teachers, and the educator preparation programs supporting them.
- 4. Create more seamless apprenticeship teacher pathways by reforming the Educational Aide Certificate.** In Texas, the only interim credential prior to teacher licensure is the state's Educational Aide Certificate. The certificate currently includes three levels that reflect additional years of service or college credit and is issued based on the employer school system's recommendation. As the state establishes a framework for teacher apprenticeship, policymakers should strengthen the validity of the Educational Aide Certificate as a recognized credential that represents an employee's progression toward teacher certification.

Acknowledgments

EdTrust would like to thank Sarah Beal (University-School Partnerships for the Renewal of Educator Preparation, or US PREP), Elizabeth Chivers (Texas Association of Community Colleges), and participants from the Houston Excellence in Advancing Readied Teachers (HEART) initiative for their contributions to this publication.