

**Agenda Materials
Community and Technical Colleges
Formula Advisory Committee (CTCFAC)
for the 2022-2023 Biennial
Appropriations**

November 2019

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Agenda

Meeting of the Community and Technical Colleges Formula Advisory Committee

**Texas Higher Education Coordinating Board
Board Room, First Floor, 1.170
1200 East Anderson Lane, Austin
Wednesday, November 6, 2019
10:00 a.m.**

Agenda

- I. Call to Order
- II. Consideration and approval of the minutes from October 14, 2019, meeting
- III. Discussion, review, and consideration of the Commissioner's 2022-2023 Biennium charges
- IV. Planning for subsequent meetings
- V. Adjournment

Texas Penal Code Section 46.035(c) states: "A license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.

Please Note that this governmental meeting is, in the opinion of counsel representing THECB, an open meeting subject to Chapter 551, Government Code and THECB is providing notice of this meeting as required by Chapter 551. In addition, please note that the written communication required by Texas Penal Code Sections 30.06 and 30.07, prohibiting both concealed and open carry of handguns by Government Code Chapter 411 licensees, will be posted at the entrances to this governmental meeting.

Prior Meeting's Draft Minutes

**Meeting of the Community and Technical Colleges Formula Advisory Committee
Texas Higher Education Coordinating Board
Board Room, First Floor, 1.170
1200 East Anderson Lane, Austin
Monday, October 14, 2019
10:00 a.m.**

Minutes

Attendees: Ms. Teri Crawford, Mr. Patrick Lee, Mr. Richard Cervantes, Mr. Michael Reeser, Dr. Pamela Anglin, Dr. Jeremy McMillen, Dr. Phil Rhodes and Ms. Mary Elizondo

Phone conference: Dr. Brent Wallace, Ms. Mary Wickland, and Dr. Robert Riza

Absent: Dr. Cesar Maldonado and Mr. Jim Yeonopolus

THECB Staff: Mr. David Young, Ms. Jennifer Gonzales and Mr. Roland Gilmore

Phone conference: Dr. Julie Eklund

The meeting was called to order at 10:00 a.m.

1. The chair asked if there were any corrections to the minutes of the August 19, 2019, meeting. Dr. Jeremy McMillen motioned, Ms. Teri Crawford seconded, committee approval by acclamation.
2. Discussion of Charge 1 – Study and make recommendations for the appropriate funding levels for the contact hour, core, and the student success funding. (TEC, Section 61.059 (b)).
 - I. Ms. Wickland stated the workgroup will recommend for Lamar State Colleges an increase for contact hour funding, minimal increase for space support, and no increase for the small institution supplement.
 - II. Dr. Anglin stated the workgroup will recommend increases for the Community College funding in the area of core funding, contact hour funding, and success point funding; and it will recommend no increase in the rate for Bachelor of Applied Technology (BAT) programs.
3. Discussion of Charge 2 – Study and make recommendations for the appropriate funding level for, and the refinement of, Texas State Technical College System's returned value funding formula (General Appropriations Act, HB 1, 86th Texas Legislature, Rider 11 (page III-228)).
 - I. Mr. Reeser stated the workgroup reviewed the THECB staff projections and will have a funding recommendation to present to the Committee for the November meeting.

4. Discussion of Charge 3 – Study and make recommendations on the efficacy of critical need fields as they relate to contact hour and success point funding.
 - I. Dr. McMillen stated that the committee workgroup and the TACC workgroup met and discussed refreshing the list of critical need fields.
 - II. Dr. McMillen mentioned the work of the THECB in the refreshing the critical need fields list, and the workgroup was cautioned by Dr. Eklund that any refreshing of the current list could lead to a shorter list.
 - III. Dr. McMillen also suggested that there was the need to discuss a time frame to be applied to a critical need fields and how long it should remain on the list.
 - IV. Dr. Eklund added that time was spent with Ms. Vega at the Texas Workforce Commission reviewing a proposed methodology for developing a critical need field's list for the committee's review. The methodology was consistent with one proposed to the CTC FAC committee that met prior to the last session. Because tools are being continually updated, staff wanted to get outside input on the proposed approach.

5. Discussion of Charge 4 – Evaluate the continued relevancy of each success point and its components given various state-level policy changes, the increased focus on fields of study, and the implementation of the co-requisite model in developmental education; and study and make recommendations for the appropriate number of points to be awarded for each metric. (General Appropriations Act, HB 1, 86th Texas Legislature, Rider 19 (pages III-214 to III-215) and General Appropriations Act, HB 1, 86th Texas Legislature, Rider 25 (page III-215))
 - I. Dr. McMillen stated that the workgroup met and visited about the impact of changes adopted by the Legislature this year related to success point funding, including additions to critical fields and the addition of co-enrollment.
 - II. Dr. McMillen stated that feedback was received from community college presidents about the weights that were outlined in the rider in the last biennium. Generally the feedback was cautionary against devaluing the credentials, awards and certificates they are not in critical fields.
 - III. Dr. McMillen stated there was discussion around proposed alternatives by the TACC metrics task force.
 - IV. Dr. McMillen stated that the TACC metrics task force offered a number of additional items for consideration. The first would give a success point for 12 hours of credit vs. 15 hours. The second focused on adding half of a success point for economically and academically disadvantaged students to the success point category for degrees, core completers and certificates.
 - V. Ms. Crawford asked for clarification on academically and economically disadvantaged students. Dr. McMillen responded explaining academically disadvantaged students were those who had not met the TSI upon entry to college. Dr. McMillen also stated that economically disadvantage students would

be those that would be Pell eligible, as far back as 10 years, which was confirmed by Dr. Eklund.

6. Discussion of Charge 6 – Study and make recommendations for the appropriate definition of a student in a structured co-enrollment program successfully completing at least 15 semester credit hours at the community college.
 - I. Dr. McMillen stated the initial definition provided by the THECB staff was acceptable with minor changes to the wording regarding “agreement”.
7. Discussion of Charge 5 – Study and make recommendations for the appropriate methodology for including the second 8-week courses in the base period.
 - I. Dr. Wallace stated the workgroup contacted several colleges that are preparing to offer 8-week courses.
 - II. Dr. Wallace also stated that the workgroup felt the original methodology was fairly accurate. The workgroup will stick with the original piloted methodology with limited changes and will be bringing a formal recommendation to the committee at the next meeting.
8. The vice chair recommended the work groups finalize their recommendations for final discussion and approval by the full committee.

The chair asked for a motion to adjourn, Dr. Robert Riza motioned, Mr. Richard Cervantes seconded, committee approved by acclamation. The committee adjourned at 10:20 a.m. and will next convene on November 6th, 2019, at 10:00 a. m.

Prepared by Roland Gilmore

Commissioner's Charges

The Community and Technical College Formula Advisory Committee (CTCFAC), conducted in an open and public forum, is charged with proposing a set of formulas that provide the appropriate funding levels and financial incentives necessary to best achieve the goals of *60x30TX*. A preliminary written report of its activities and recommendations is due to the Commissioner by December 7, 2019, and a final written report by February 2, 2020. The CTCFAC's specific charges are to:

1. Study and make recommendations for the appropriate funding levels for the contact hour, core, and the student success funding. (TEC, Section 61.059 (b)).

TEC, Section 61.059 (b)

"The board shall devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs. As a specific element of the periodic review, the board shall study and recommend changes in the funding formulas based on the role and mission statements of institutions of higher education. In carrying out its duties under this section, the board shall employ an ongoing process of committee review and expert testimony and analysis."

2. Study and make recommendations for the appropriate funding level for, and the refinement of, Texas State Technical College System's returned value funding formula (General Appropriations Act, HB 1, 86th Texas Legislature, Rider 11 (page III-228).

"The Texas State Technical College System shall continue to work with the Texas Higher Education Coordinating Board, the Legislative Budget Board and other relevant agencies to refine the new Returned Value Funding Formula for the TSTCs. It is the intent of the Legislature that recommended adjustments to the formula shall be ready for implementation in the 2022-23 biennium and shall further the goal of rewarding job placement and graduate earnings projections, not time in training or contact hours."

3. Study and make recommendations on the efficacy of critical need fields as they relate to contact hour and success point funding.
4. Evaluate the continued relevancy of each success point and its components given various state-level policy changes, the increased focus on fields of study, and the implementation of the co-requisite model in developmental education; and study and make recommendations for the appropriate number of points to be awarded for each metric. (General Appropriations Act, HB 1, 86th Texas Legislature, Rider 19 (pages III-214 to III-215) and General Appropriations Act, HB 1, 86th Texas Legislature, Rider 25 (page III-215))

"It is the intent of the Legislature that the success points earned for the following metrics shall be revised as follows in the 2022-23 General Appropriations Act:

- a. 'Student transfers to a General Academic Institution after successfully completing at least 15 semester credit hours at the community college, or a student in a structured co-

enrollment program successfully completing at least 15 semester credit hours at the community college' shall be revised to 2.75 points.

b. 'Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a field other than a critical field, such as Science, Technology, Engineering and Mathematics (STEM), or Allied Health' shall be revised to 1.2 points.

c. 'Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a critical field, including the fields of Science, Technology, Engineering and Mathematics (STEM), or Allied Health' shall be revised to 3.0 points."

5. Study and make recommendations for the appropriate methodology for including the second 8-week courses in the base period.
6. Study and make recommendations for the appropriate definition of a student in a structured co-enrollment program successfully completing at least 15 semester credit hours at the community college.

Community and Technical College Formula Advisory Committee for 2020-2021 Biennium

Dr. Pamela Anglin, Chair

Name/Title	Institution/Address	Email/Phone
<u>Institution Representatives:</u>		
Ms. Teri Crawford (2022) Vice Chancellor of Public Relations, Marketing, and Governmental Affairs	San Jacinto College District 4624 Fairmont Parkway Suite 200 Pasadena, TX 77504	teri.crawford@sjcd.edu (281) 998-6151
Dr. Cesar Maldonado, Ph.D., P.E. (2022) Chancellor	Houston Community College 3100 main Houston, Texas 77002	cesar.maldonado@hccs.edu (713) 718-5059
Dr. Brent Wallace (2024) Chancellor	North Central Texas College 1525 West California Street Gainesville, Texas 76240	bwallace@nctc.edu (940) 668-4230
Mr. Patrick Lee (2022) Department Chair and Professor of Mathematics	Alamo Colleges 1400 West Villaret Boulevard San Antonio, Texas 78224	plee18@alamo.edu (210) 486-3282
Mr. Richard Cervantes (2022) Vice Chancellor Business and Finance/CFO	Blinn College 902 College Avenue Brenham, Texas 77833	Richard.Cervantes@blinn.edu (979) 830-4123
Ms. Mary Wickland (2020) Vice President for Finance	Lamar State College - Port Arthur PO Box 310 Port Arthur, TX 77641	mary.wickland@lamarpa.edu (409) 984-6125
Mr. Jim Yeonopolus (2022) Chancellor	Central Texas College PO Box 1800 Killeen, TX 76540	JYeonopolus@ctcd.edu (254) 526-1214
Mr. Michael Reeser (2020) Chancellor	Texas State Technical College System 3801 Campus Drive Waco, Texas 76705	mike.reeser@tstc.edu (254) 867-4891
Dr. Robert K. Riza (2022) President	Clarendon College 1122 College Drive Clarendon, TX 79226	robert.riza@clarendoncollege.edu (806) 874-4808
Dr. Pamela Anglin (2020) President	Paris Junior College 2400 Clarksville Street Paris, TX 75460	panglin@parisjc.edu (903) 782-0330
Dr. Jeremy McMillen (2020) President	Grayson College 6101 Grayson Drive Denison, TX 75020	mcmillenj@grayson.edu (903) 463-8600
Dr. Phil Rhodes (2020) Vice President - Research, Effectiveness, and Information Technology	McLennan Community College 1400 College Drive, Admin. 410 Waco, TX 76708	prhodes@mcclennan.edu (254) 299-8642
Ms. Mary Elizondo (2024) Vice President for Finance and Administrative Services	South Texas College 3201 West Pecan X224 McAllen, TX 78501	marve@southtexascollege.edu (956) 872-3559

Charge 1 – Study and make recommendations for the appropriate funding levels for the contact hour, core, and the student success funding. (TEC, Section 61.059 (b)).

Committee Recommendation for State Colleges.

Committee Recommendation for State Colleges

Sector	2020-2021 Appropriations (millions)	2022-23 Appropriations (millions)	Change Amount (millions)	Percent Change
Texas Public State Colleges	\$65.4	\$71.4	\$6.0	9.2%

- The committee recommends increasing the funding to the State College formulas for the 2022-2023 biennium to \$71.4 million, which is an increase of \$6.0 million, or 9.2 percent, as compared to the 2020-2021 biennium.
- Fund \$56.5 million to the State College Instruction and Administration formula for the 2022-23 biennium, which would be an increase of \$5.8 million, or 11.4 percent, compared to the \$50.7 million appropriated for the 2020-21 biennium.
 - ❖ This funding level assumes a rate of \$10.47 per contact hour, which is an increase of \$0.24, or 2.3 percent, compared to the \$10.23 funded for the 2020-21 biennium.
 - ❖ This funding level assumes a contact hour growth rate of 8.9 percent for the following reasons:
 - Continued expansion of co-enrollment into areas outside of the colleges’ immediate boundaries.
 - Increased technical program offerings to traditional and co-enrolled students.
 - Expansion of prison credit offerings through a pilot PELL program.
 - Expansion of workforce programs to include realistic industrial training along with logistics and craft training. Expansion through collaborative community involvement.
 - Implement an intervention plan focused on underserved populations.
 - Continued development and growth of online programs through aggressive marketing campaigns.

- ❖ The recommendation includes an estimated \$9.8 million in statutory tuition and \$46.7 million in general revenue.

The increase will provide support for the *60X30TX* plan by:

- Allowing the continued collaborative efforts between the colleges and high school campuses for dual enrollment and promotion of college attainment.
- Continuing the development and implementation of programs based on the desirable skill needs of the local employer workforce.
- Implementation of guided pathways to improve retention and decrease student debt.
- Fund \$14.8 million to the Space Support formula and Small Institution supplement for the 2022-2023 biennium, which would be an increase of \$0.2 million compared to the 2020-21 biennium.
 - ❖ This funding level assumes a rate of \$5.45 per adjusted predicted square foot, representing an increase of \$0.12, or 2.3 percent, compared to the \$5.33 funded for the 2020-21 biennium. The funding level assumes a 0.9 percent increase for growth in adjusted predicted square feet between fall 2018 and fall 2020 and a 2.3 percent increase for inflation.
- Split the recommended Space Support rate between “utilities” and “operations and maintenance” components using FY 2020 utility rates, update the utility rate adjustment factors using the FY 2020 utilities expenditures, and allocate the Space Support formula using the fall 2020 predicted square feet.

Fund the Small Institution Supplement using the same methodology and rate as the 2020-21 biennium.

No recommendation for Community Colleges at this time.

Charge 2 –Study and make recommendations for the appropriate funding level for, and the refinement of, Texas State Technical College System’s returned value funding formula (General Appropriations Act, HB 1, 86th Texas Legislature, Rider 11 (page III-228)).

Committee Recommendation for Technical Colleges.

Sector	2020-2021 Appropriations (millions)	2022-2023 Appropriations (millions)	Change Amount (millions)	Percent Change
Texas Public Technical Colleges	\$163.8	\$164.1	\$0.4	0.2%

Administration and Instruction (A&I) and Space Support	2020-2021 Appropriations (millions)	2022-2023 Appropriations (millions)	Change Amount (millions)	Percent Change
General Revenue	\$145.0	\$145.3	\$0.4	0.2%
General Revenue-Dedicated	8.7	8.7	0.0	0%
All Funds	\$153.7	\$154.0	\$0.3	0.2%

Dual Credit Contact Hour	2020-2021 Appropriations (millions)	2022-2023 Appropriations (millions)	Change Amount (millions)	Percent Change
General Revenue	\$2.2	\$2.2	-\$0.01	-0.3%

Small Institution Supplement	2020-2021 Appropriations (millions)	2022-2023 Appropriations (millions)	Change Amount (millions)	Percent Change
General Revenue	\$7.9	\$7.9	\$0.0	0%

Fund \$155.4 million in general revenue and \$164.1 million in all funds for the 2022-2023 biennium, an increase of \$0.4 million, or 0.2 percent, which includes \$8.7 million of general revenue-dedicated.

- Fund \$132.3 million in general revenue and \$141.0 million in all funds to the Texas State Technical College System (TSTCS) return value formula for the 2022-2023 biennium, an increase of \$0.1 million, or 0.05 percent, compared to the all funds appropriation of \$140.9 million for the 2020-2021 biennium.

❖ The \$164.1 million All Funds recommendation includes an estimated \$8.7

million in general revenue-dedicated (statutory tuition and fees), which is equal to the amount appropriated in the Administration and Instruction and Space Support formulas for the 2020-2021 biennium.

- ❖ The \$132.3 million general revenue recommendation funds 36.1 percent of the \$367 million estimated 2012-2013 cohort Return Value, which is the same percentage of return value that was funded for the 2020-2021 biennium general revenue appropriation.
- ❖ Fund \$7.9 million to the Small Institution Supplement using the same methodology and rate as the 2020-2021 biennium.

Fund \$2.2 million in general revenue for Dual Credit Contact Hours for the 2022-2023 biennium, a decrease of \$0.01 million, or -0.01 percent, from the current biennium.

Charge 3 – Study and make recommendations on the efficacy of critical need fields as they relate to contact hour and success point funding.

No recommendation at this time.

Charge 4 – Evaluate the continued relevancy of each success point and its components given various state-level policy changes, the increased focus on fields of study, and the implementation of the co-requisite model in developmental education; and study and make recommendations for the appropriate number of points to be awarded for each metric. (General Appropriations Act, HB 1, 86th Texas Legislature, Rider 19 (pages III-214 to III-215) and General Appropriations Act, HB 1, 86th Texas Legislature, Rider 25 (page III-215))

No recommendation at this time.

Charge 5 – Study and make recommendations for the appropriate methodology for including the second 8-week courses in the base period.

Committee Recommendation for Charge 5.

The following recommendation is made for formula funding of 8-week courses if the reporting of actuals is not an option. Pushing the due date further out would assist in the reporting of actual contact hours, which is preferred.

1. Use the time periods previously used for all courses except for those that are 8 weeks.
 - a. Initial Run – In Fall
 - i. Previous Spring-Certified
 - ii. Summer 1-Certified
 - iii. Summer 2-Certified
 - iv. Current Fall-Error Free
 - b. Final Run – In Spring
 - i. Previous Summer 1-Certified
 - ii. Previous Summer 2-Certified
 - iii. Fall-Certified
 - iv. Spring-Error Free
2. For second 8-week courses that have not yet begun during reporting periods, the following visualization is offered to explain how data will be used to estimate second 8-week course contact hours.
 - a. Previous Fall 1-Certified
 - b. Previous Fall 2-Certified
 - c. Previous Spring 1-Certified
 - d. Previous Spring 2-Certified
 - e. Summer 1-Certified
 - f. Summer 2-Certified
 - g. Current Fall 1-Error Free (or Certified for Final Run)
 - h. Current Fall 2-No Data (or Certified for Final Run)
 - i. Current Spring 1 – Error Free
 - j. Current Spring 2 – No Data
3. To fill the missing data for the initial run (see h. above), staff will utilize previously certified data from the prior fall using those data to proxy the missing data (see a. and b. above) using a ratio approach. For the final run, previous

spring data will be used (see c. and d. above) to proxy the missing data using a ratio approach. See details below:

a. Initial Run

- i. Previous Spring-Certified
- ii. Summer 1-Certified
- iii. Summer 2-Certified
- iv. Current Fall 1-Error Free
- v. Ratio from Previous Fall 1 Certified/Previous Fall 2-Certified
- vi. Apply ratio to current Fall 1 error free to proxy missing data for current Fall 2

b. Final Run

- i. Previous Summer 1-Certified
- ii. Previous Summer 2-Certified
- iii. Fall-Certified
- iv. Spring 1-Error Free
- v. Ratio from Previous Spring 1-Certified/Previous Spring 2-Certified
- vi. Apply ratio to current Spring 1 error free to proxy missing data for current Spring 2

This proposal is for formula funding. There are other considerations in allowing institutions to report 8-week courses on the beginning of semester fall and spring CBM reports versus reporting them as Flex courses the following semester (which has always been allowed). The Coordinating Board will provide a truncated reporting schedule for institutions that wish to include these courses in their fall headcount (on the CBM001 and 004). Note that a schedule with 10-week courses followed by 6-week courses, would not allow sufficient time for reporting enrollments in the 6-week session on the beginning of semester reports. Fortunately, schools are more interested in offering either 8-week courses or offering 16-week and 12-week courses – with the 12-week courses starting 4 weeks into the semester (which allows plenty of time for reporting and inclusion in error-free formula runs).

Charge 6 – Study and make recommendations for the appropriate definition of a student in a structured co-enrollment program successfully completing at least 15 semester credit hours at the community college.

Committee Recommendation for defining a Structured Co-enrollment program.

"A Texas Higher Education Coordinating Board recognized program structured through a binding written agreement between a general academic institution and a community college. Under such a program students will be admitted to both institutions and recognized as having matriculated to both institutions concurrently."

This document is available on the Texas Higher Education Coordinating Board
Website: <http://www.thecb.state.tx.us/formulafunding>

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