

Texas Higher Education Coordinating Board

# Texas Commission on Community College Finance

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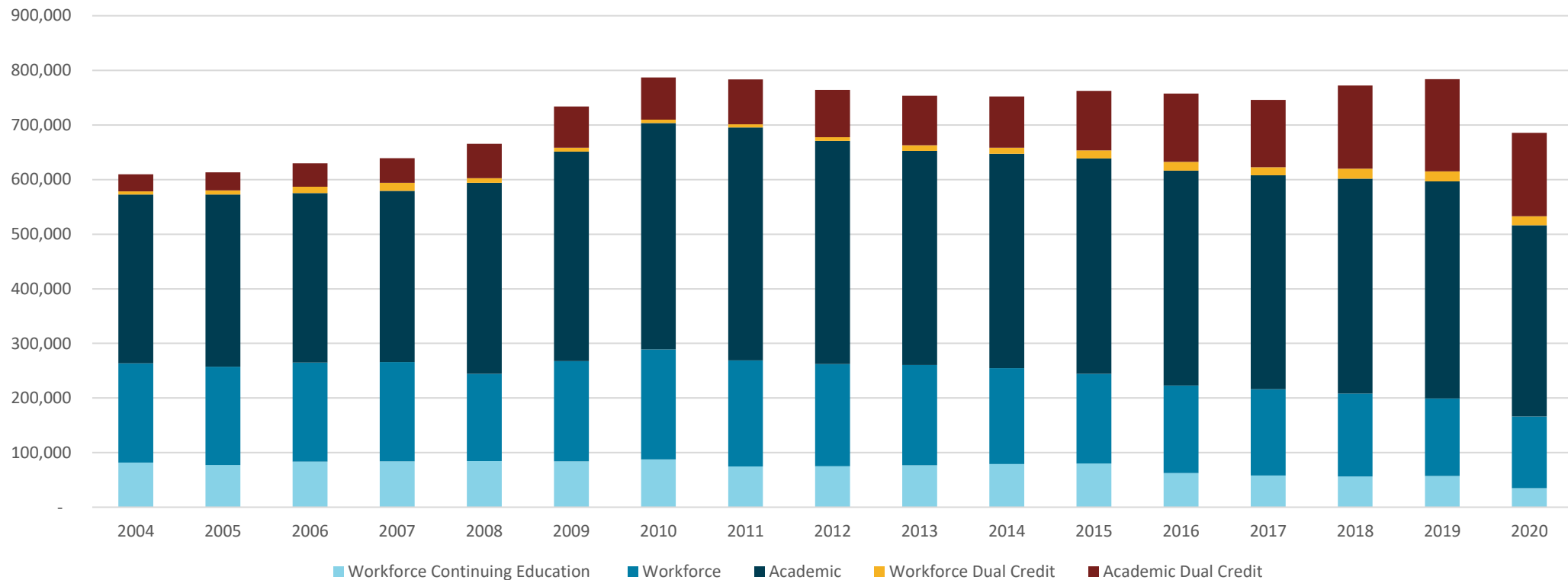
*Harrison Keller, Ph.D., Commissioner of Higher Education*

December 13, 2021

# Community College Enrollments

**Enrollments, excluding dual credit, at two-year institutions have seen a decline over the past decade.**

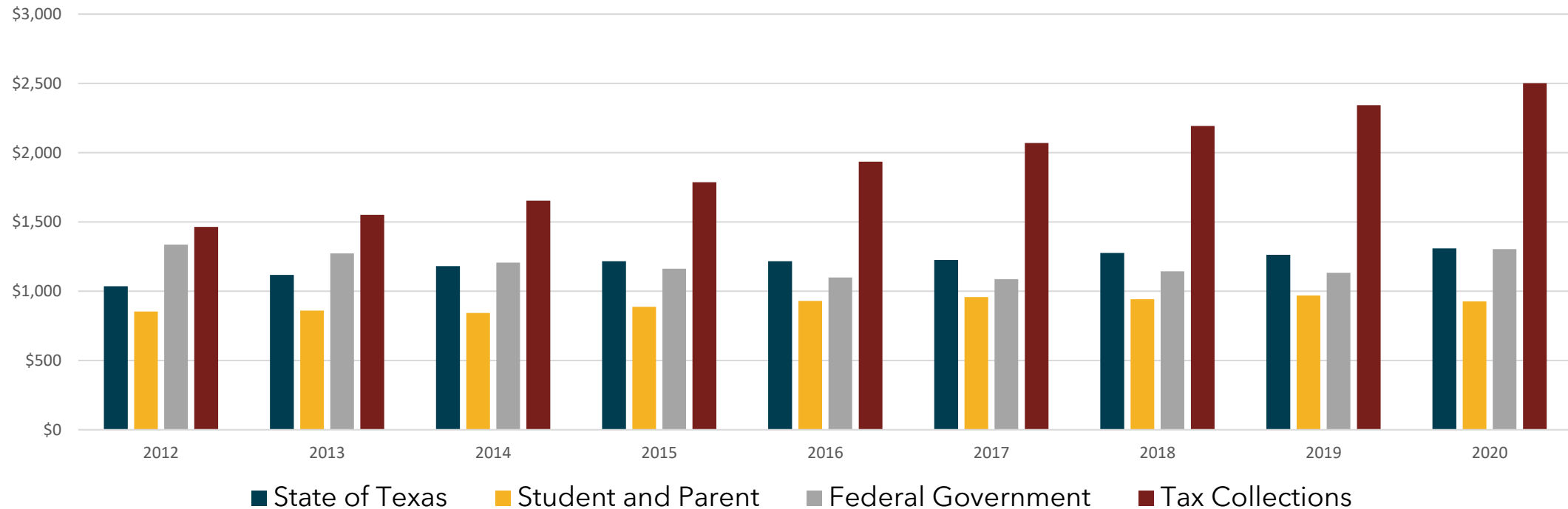
**Community College Workforce Continuing Education, Enrollment, and Dual Credit  
Fall 2004-2020**



- Academic enrollments excluding dual credit declined by 76,621 from their peak in Fall 2011 to 2020
- Traditional and continuing workforce education declined by 122,833 from their peak in Fall 2010 to 2020

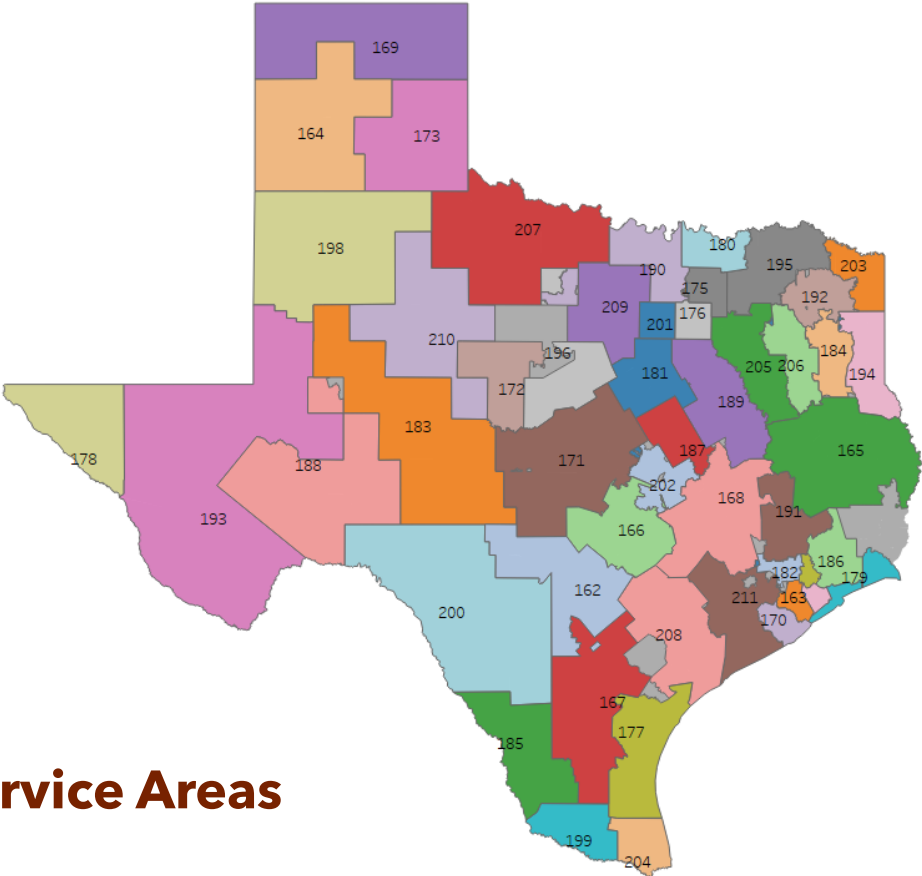
# Historical Statewide Revenue by Type

**Community College Revenue by Type\***  
(in millions)

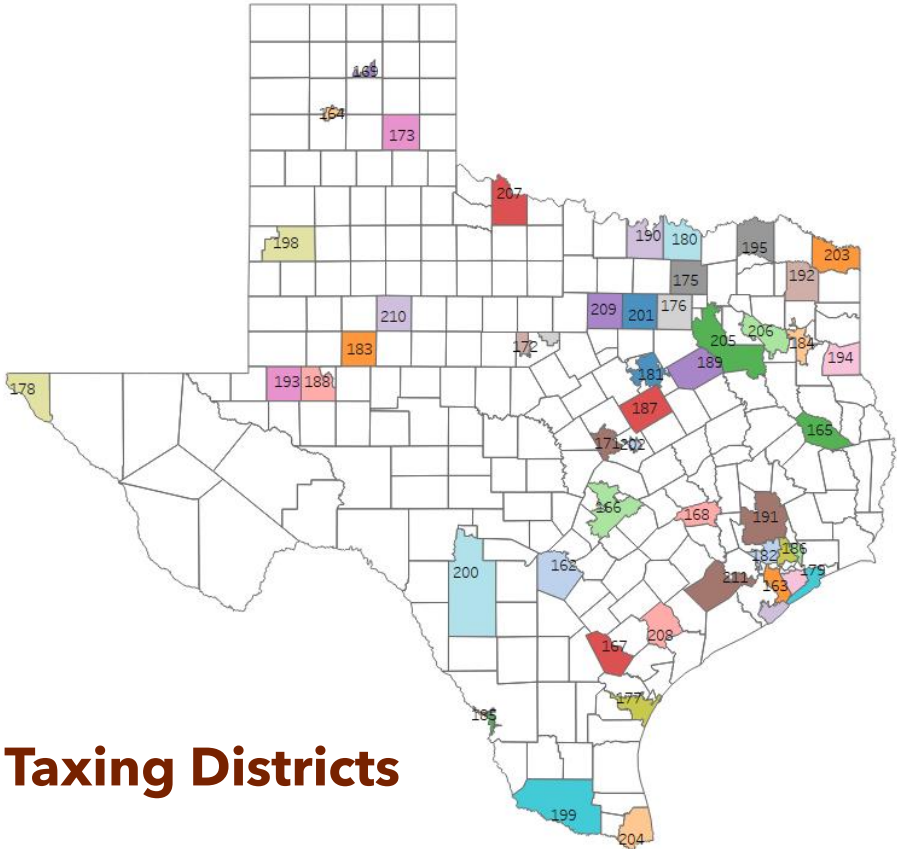


\*Excludes Other Institutional Resources. This category is composed of Endowment and Interest Income, Local Government Grants – Restricted, Private Gifts & Grants – Restricted, Sales and Service, Net Auxiliary Enterprises, and Other Income.

# 2019-2020 Community College Service Areas and Taxing Districts



**Service Areas**



**Taxing Districts**

# Community College State Funding Formula

## **Core Operations\***

- Provides a minimum, equal amount of funding to each district of \$1,360,812 for the biennium

## **Contact Hour**

- Constitutes majority of allocation (78.9%)
- Funding for contact hours is weighted based on expenditure study of disciplines across the two-year institutions (RFOE)
- Additional 10% weight applied for certain critical fields

## **Success Points**

- Outcomes-based formula in which institutions receive points for each milestone completed by each student in an academic year
- Based on rolling three-year average

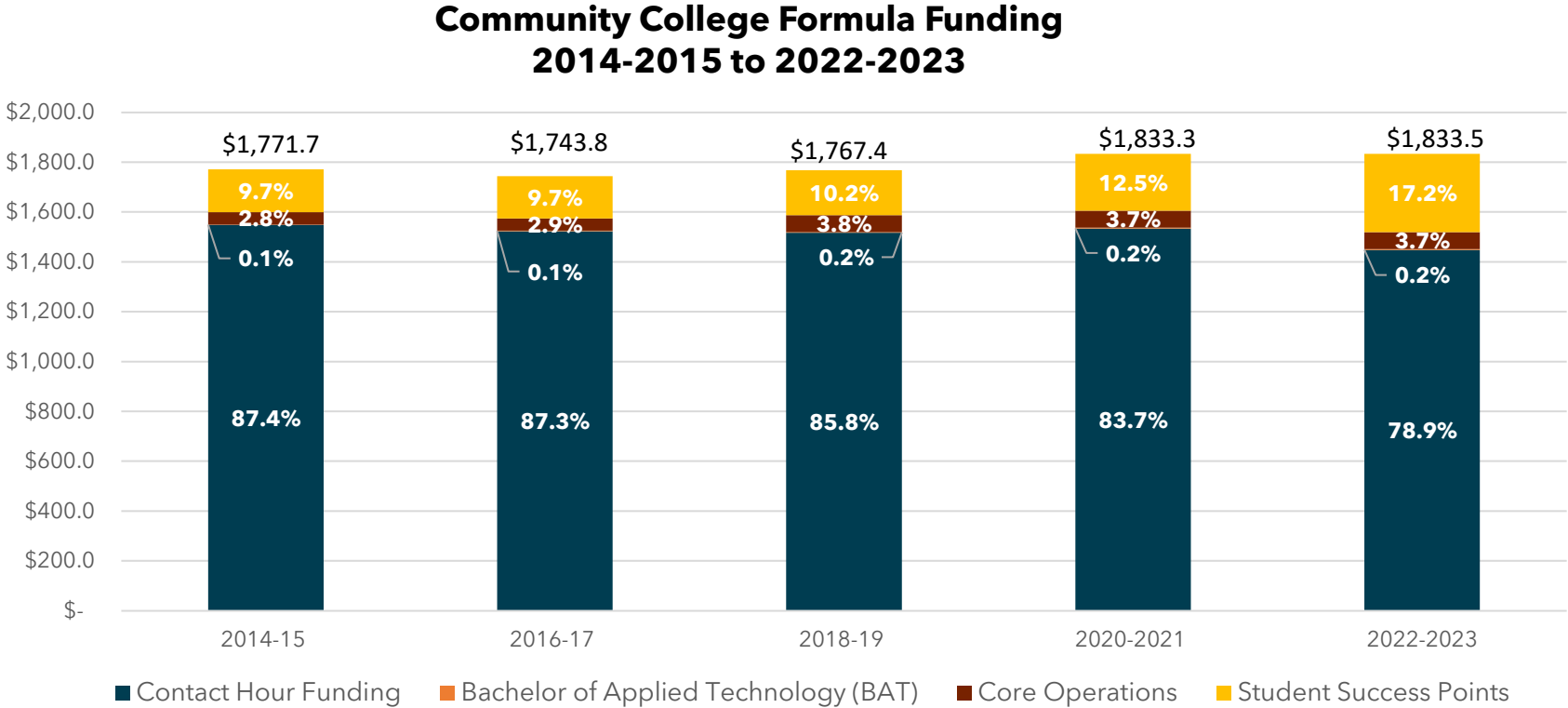
## **Bachelor's Program Funding**

- Statute provides that 4 legacy institutions offering certain baccalaureate programs are funded at general academic institutional rates
- Statute provides that for all other institutions, contact hours for junior-level or senior-level courses are funded in the same manner as lower division courses in a corresponding field through the contact hour formula

*\*Excludes need-based supplements provided in the 2022-23 biennium to 11 institutions (\$1 million per college)*

# Historical Allocation of Community College Funding Formulas

**Total formula funding\* in FY22-23 was generally maintained at FY20-21 levels; however, \$86.5 million in funding was shifted from contact hour formula to success point formula**

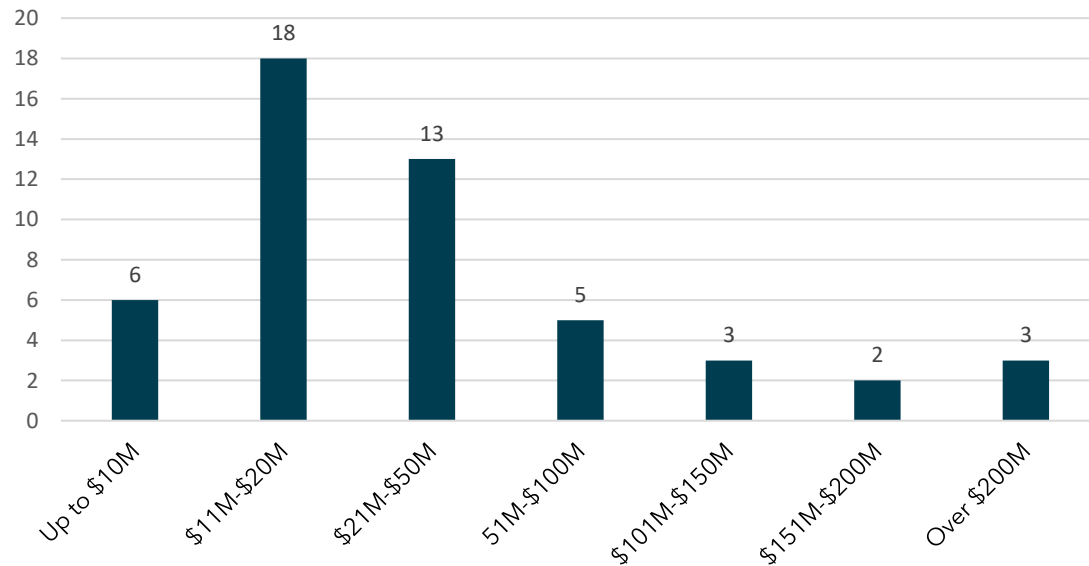


\*Excludes need-based supplemental funding provided in the 2022-23 biennium to 11 institutions outside of formula funding.

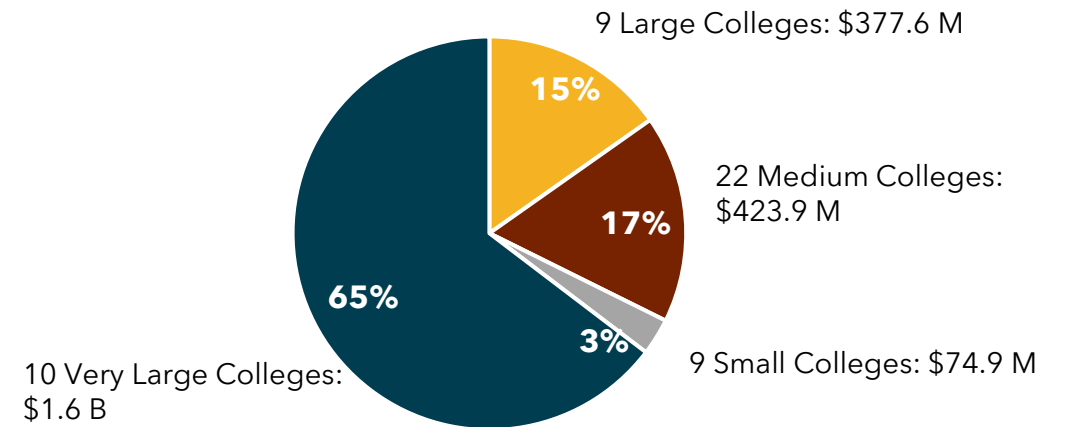
# Higher Education Emergency Relief Fund (HEERF)

**Approximately \$2.5 billion in awards have been allocated to community colleges\***

**Number of Institutions by Amount of HEERF Received**



**Percentage and Amount of HEERF Allocation by Accountability Group**



\*Amounts are sourced from HEERF allocation tables published by the U.S. Department of Education. The data reflect amounts that originally allocated to institutions through HEERF and do not reflect whether funds have been received or expended by colleges.

# Financing Differences: Public and Higher Education

Components	Public Education Finance System: Foundation School Program	Community College Finance System: Higher Education Funding Formulas
State Requirements	Texas Constitution, Article 7. Education provides "it shall be the duty of the Legislature of the State to establish and make suitable provision for the support and maintenance...of public free schools"	TEC 130.003 provides that "There shall be appropriated biennially...an amount sufficient to supplement local funds for the proper support, maintenance, operation, and improvement..."
Formulas	Entitlement Funding	Allocation Methodology
Local Funding	Considers local tax revenues of districts	Funding formulas do not consider property tax revenue or tuition and fee revenue
Equity	Adjustments for multiple student and district characteristics	No adjustments for student or district characteristics
Formula Data	Settle-up Process (current year enrollments)	Base Year Data (snapshot of prior enrollments)



# Questions and Discussion